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10 April 1985

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

INTERNATIONAL AFFAIRS

REGIONAL AFFAIRS

- Egyptian-Jordanian Bank To Be Established
(Ibtisam Dababneh; THE JERUSALEM STAR, 7-13 Mar 85)..... 1

ARAB AFRICA

ALGERIA

- Text of Law on 1985-1989 5-Year Plan
(JOURNAL OFFICIEL DE LA REPUBLIQUE ALGERIENNE DEMOCRATIQUE
ET POPULAIRE, 2 Jan 85)..... 3
- Peasant Leader Urges Defense of Land
(A. Sebaa; ALGERIE ACTUALITE, No 1007, 31 Jan-6 Feb 85).... 21
- Development Plans for Future Capital Center Detailed
(EL MOUDJAHID, 18 Feb 85)..... 23
- Recycling of Metal Resources Now Being Practiced
(Ali Guissem; EL MOUDJAHID, 5 Feb 85)..... 26
- Customs Regulations for Returned Nationals Explained
(EL MOUDJAHID, 18 Feb 85)..... 28

EGYPT

- Additional Water Conservation, Planning Needs Reviewed
('Abd-al-Tawwab 'Abd-al-Hayy; AL-MUSAWWAR, 8 Mar 85)..... 30

Decline in Circulation of Opposition Publications Explored (Muhammad Barakat; AL-YAMAMAH, 9 Jan 85).....	36
---	----

ARAB EAST/ISRAEL

IRAQ

Briefs	
Kirkuk Pipeline Financing	45
Iraqi-PRC Agricultural Agreement	45

ISRAEL

Possible Use of Nuclear Power (INNOVATION, Feb 85).....	46
Labor and Employment Update (Lisa Rotter; THE ISRAEL ECONOMIST, Feb 85).....	48
First Quarter Report (THE ISRAEL ECONOMIST, Feb 85).....	50
Center for Space Studies Established (Yitzhak Dinur; NEWSVIEW, 19-25 Dec 84).....	52
New Liquid Coal Fuel (INNOVATION, Feb 85).....	54
Analysis of Underground Economy (Ben-Zion Zilberfarb; THE ISRAEL ECONOMIST, Feb 85).....	56

JORDAN

Monetary Situation in 1984 Analyzed (Fahed Fanek; JORDAN TIMES, 17 Feb 85).....	59
Large Quantities of Gypsum Discovered (Rana Sabbagh; JORDAN TIMES, 5 Mar 85).....	61
Ports Corporation Prepares 5-Year Plan (JORDAN TIMES, 6 Mar 85).....	62
Background on Agricultural Cooperatives (Olga Mikhael; JORDAN TIMES, 7-8 Mar 85).....	63
Water, Construction Projects Planned for Year (Pam Dougherty; KHALEEJ TIMES, 9 Jan 85).....	65

Growing Poultry Industry Profiled (Olga Mikhael; JORDAN TIMES, 2 Mar 85).....	66
Prizes Awarded for Scientific Research (JORDAN TIMES, 2 Mar 85).....	69
Large Irrigation Project Begun in South (JORDAN TIMES, 20 Feb 85).....	70
Phosphate Dust Irritates al-Rusayfah Citizenry (JORDAN TIMES, 19 Feb 85).....	71
Statistics Given on Foreign Students in Country (THE JERUSALEM TIMES, 21 Feb 85).....	73
Large Number Study Abroad (Ian Chandler; THE JERUSALEM STAR, 21 Feb 85).....	75
Briefs	
Rail Transport of Phosphate	78
Trade With Gulf	78
LEBANON	
Islamic Group Demands Firm Stand Against U.S. (Beirut Domestic Service, 14 Mar 85).....	79
Zahlah Notables Discuss Syrian Connection (Gabriel al-Sayigh, Andre Haddad Interview; AL-NAHAR AL-'ARABI WA AL-DUWALI, 4-10 Feb 85).....	80
Central Bank Proposes Eight-Point Austerity Program (AL-IQTISAD WAL-A'MAL, Feb 85).....	87
Problems With Domestic Liquidity, Inflation Reviewed (AL-IQTISAD WAL-A'MAL, Feb 85).....	89
Briefs	
Beirut Port Activity	95
Banks' Financing of Deficit	95
Aid From EC, Iran	95
PALESTINIAN AFFAIRS	
PNC Deputy Chairman Discusses Ramifications of Council Meeting (Salim al-Za'nun Interview; AL-MAJALLAH, 20-26 Feb 85).....	96
Status of Palestinian Research Center Discussed (Sabri Jiryis Interview; AL-MAJALLAH, 20-26 Feb 85).....	100

Norway's Refusal To Allow Opening of PLO Office Analyzed (Basim Barhum; FALASTIN AL-THAWRAH, 26 Jan 85).....	107
SAUDI ARABIA	
Military Academy Curriculum, Activities Detailed (Mit'ab bin 'Abdallah Interview; AL-YAMAMAH, 23 Jan 85).....	110
Director Reviews Mecca-Ta'if Desalination Project (Salman al-'Amri; AL-YAMAMAH, 16 Jan 85).....	118
Huge Refinery Complex Going Up at Rabigh (Khalid Muhammad Ba-Tarfi; AL-SHARQ AL-AWSAT, 23 Feb 85)....	121
Saudi Aid to Drought-Stricken Countries Examined (Salih Qallab; AL-MAJALLAH, 13-19 Mar 85).....	124
SYRIA	
TISHRIN on Mubarak's Failure, Jordan Visit (SANA, 18 Mar 85).....	128
AL-BA'TH on Syria's Support for Lebanese Legitimacy (Damascus Domestic Service, 18 Mar 85).....	129
AL-THAWRAH on Pro-Israeli Moves in Lebanon (Damascus Domestic Service, 16 Mar 85).....	131
Phalangist Dispute 'Not Internal Issue' (SANA, 16 Mar 85).....	133
UNITED ARAB EMIRATES	
UAE Paper on Iranian Shopping Spree (Maruf Khwaja; KHALEEJ TIMES, 7 Mar 85).....	135
Briefs Trade With UK	137
SOUTH ASIA	
AFGHANISTAN	
Soviets Reportedly Suffer Heavy Casualties (KAYHAN INTERNATIONAL, 6 Mar 85).....	138
IRAN	
Editorial Examines World Silence Vis-a-vis Civilian Attack (S. Moadab; KAYHAN INTERNATIONAL, 10 Mar 85).....	139

Continued Retaliation by Warring Parties (LIBERATION, 7 Mar 85).....	143
---	-----

PAKISTAN

Zia Defends Changes in Constitution (DAWN, 12 Mar 85).....	145
Kasuri Attacks Changes in Constitution (Nusrat Javeed; THE MUSLIM, 9 Mar 85).....	146
Amended Constitution Called 'Mere Eyewash' (DAWN, 12 Mar 85).....	147
Lawyers' Associations Criticize Amendments (Asif Durrani; THE MUSLIM, 9 Mar 85).....	148
Constitutional Amendments Condemned (DAWN, 9 Mar 85).....	149
Jl To Maintain Assembly's Independence, Says Member-Elect (DAWN, 9 Mar 85).....	150
Implications of Amendments to Constitution Discussed (Makhdoom Ali; DAWN, 12 Mar 85).....	151
World Bank Team Reviews Karachi's Water, Sewage Projects (DAWN, 12 Mar 85).....	154
Zia-ul-Haq on Islamization, Domestic, Foreign Issues (Zia-ul-Haq Interview; POLITIQUE INTERNATIONALE, 84/85).....	156
Constitutional Amendments: Probable Impact Analyzed (Khalid Akhtar; THE MUSLIM, 9 Mar 85).....	172
Briefs	
Iran To Fence Border	174
Chains on Political Prisoners	174
Jamaat Group in Sind Assembly	175
Science Pact With U.S. Extended	175
Jatoi Offered Assembly Seats	175

10 April 1985

REGIONAL AFFAIRS

EGYPTIAN-JORDANIAN BANK TO BE ESTABLISHED

Amman THE JERUSALEM STAR in English 7-13 Mar 85 p 11

[Article by Ibtisam Dababneh]

[Text]

AMMAN — The Jordanian branches of the Egyptian owned Arab Land Bank are due to be reorganised as a joint Jordanian-Egyptian Bank with a total capital ranging between JD 10-15 million, says Dr Fouad Hashem, former Egyptian trade minister.

Speaking to The Star, Dr Hashem who is also the general director of the Arab Investment Bank in Egypt said that the capital of the bank will be partially financed by the two countries. He added that the Egyptian side's share in this bank will be 49 per cent of the total capital financed by the Arab Investment Bank, "the leader one", the Arab Land Bank and the Bank of Alexandria. "Distribution of the share capital among these three banks will be decided by the Egyptian authorities", he added.

While the Jordanian side's share in the bank, Dr Hashem explained will be 51 per cent, 25 per cent of which will be financed possibly by certain Jordanian banks — National Bank and the Housing bank, and financial institutions such as the Social Security Corporation (SSC) and the Pension Fund among others. The remaining 26 per cent will be raised by issuing shares to the public. "Our intention is to have a very powerful bank", he said.

Explaining the reason behind establishing such a bank, Dr Hashem said that the Arab Land Bank in Jordan, which was established in 1952, has seven branches around the Kingdom. According to the Jordanian law issued recently such banks should be transformed into a joint bank with the Jordanian shareholders.

Moreover, he said "We are approximately entering a new era of developing a fast and much closer economic relations between Jordan and Egypt. This is in addition to the new sea link connecting Aqaba and Nuiuaba, which will provide a flow of road transport between the two countries through Jordan from Syria, Saudi Arabia, Turkey, Iraq and to the rest of Arab world. This will promote and strengthen the economic and trade relations between Egypt and Jordan with the rest of the Arab countries."

Talking about the services to be offered by this bank, Dr Hashem said that the bank will be both an investment and commercial one, thus offering all commercial services and above all, he said, is to support and promote ways of investment through active participation in the joint projects to be established by Jordan and Egypt. Apart from this, the bank will

also adopt new practices and innovations in the banking field as well as introducing new techniques 'by catching up the latest information' in the Jordanian banks. The bank could also establish a consultative firm in the future. "We will apply the experience we gained from the Arab Investment Bank in this bank," he said.

Speaking about the Arab Investment Bank which is considered the biggest bank in Egypt, Dr Hashem said that the bank was established in 1972. Besides offering all commercial services, the bank also plays a very important role in financing and implementing several important projects in Egypt. Furthermore, the bank now owns nearly 18 companies with a total share capital of \$120 million.

The bank is also engaged in several activities in various fields. It is now involved in setting up a touristic village in Nuiuaba' which will be formally opened on 25 April this year. In the industrial sector, the bank already established a sand bricks plant and is planning to set up an aluminium plant. This is in addition to the bank's housing programmes in which it has plans to convert about 8000 dunums of desert land into a complete city by building housing units. Dr Hashem pointed out that the bank is the one among other fin-

ancial institutions which are financing the Egyptian Housing Bank. Arab Investment Bank has also its part in implementing comprehensive agriculture and industrial projects on a 40,000 dunums area to produce vegetables, fruit and meat for the local and international markets.

Dr Fouad Hashem pointed out that similar joint Egyptian-Turkish bank will also be established in Turkey with a total of \$25 million. He added that the Egyptian side's share in this bank will be 60 per cent of the total capital, 30 per cent of which will be financed by the Arab Investment Bank, 10 per cent by the Bank of Alexandria and the rest will be in public equity shares.

During the delegation's visit to Jordan they held talks with the Minister of Trade and Industry, the Governor of the Central Bank, and the general directors of the Jordanian National Bank, the Housing Bank, and the Arab Bank.

The delegation constituted of representatives from various Egyptian banks had in addition to Dr Fouad Hashem, Mr Mohammad Abu-Hammad, assistant director of Arab Investment Bank, President of the Arab Land Bank Mr Hassouna Haseeb and the general director of the Bank of Alexandria, Mr Hassan O'ef.

ALGERIA

TEXT OF LAW ON 1985-1989 5-YEAR PLAN

Algiers JOURNAL OFFICIEL DE LA REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE
in French 2 Jan 85 pp 2-10

[Law No 84-22 of 24 December 1984 on 5-Year Plan 1985-1989]

[Text] The president of the Republic,

In light of:

The National Charter;

The Constitution and particularly its articles 151-15 and 154;

The resolutions approved by the fifth congress of the FLN;

The resolutions approved by the 12th session of the FLN Central Committee;

Law No 78-12 of 5 August 1978 establishing the worker's general status;

Law No 80-4 of 1 March 1980 on exercise of the control function by the
National People's Assembly and particularly its article 10;

Law No 80-05 of 1 March on exercise of the control function by the revenue
court;

Law No 80-11 of 13 December 1980 on the 5-Year Plan 1980-1984;

Law No 81-02 of 14 February 1981 amending and adding to decree No 69-38 of 23
May 1969 on the wilaya code;

Law No 81-09 of 4 July 1981 amending and adding to decree No 67-24 of 27
January 1967 on the communal code;

Law No 82-11 of 21 August 1982 on national private economic investment;

Law No 82-12 of 23 August 1982 on status of the craftsman;

Law No 83-18 of 13 August 1983 on acquiring agricultural real estate;

Law No 84-05 of 7 January 1984 on planning of educational system people
totals;

Law No 84-17 of 7 July 1984 on the finance laws;

Decree No 70-10 of 20 January 1970 on the 4-Year Plan 1970-1973;

Decree No 71-73 of 8 November 1971 on agrarian revolution;

Decree No 71-74 of 16 November 1971 on socialist management of enterprises;

Decree No 74-68 of 24 June 1974 on the 4-Year Plan 1974-1977;

After approval by the National People's Assembly;

Promulgates the law as follows:

Part I General Principles

Article 1--The purpose of this law is to establish the provisions of the national plan for economic, social and cultural development for the 5-year period 1985-1989. It defines the objectives of the plan, the general balances of the economy, the conditions for implementation, and the progress to be achieved in leadership training and regulation of economic and social activities. This is the 5-Year Plan 1985-1989.

Article 2--The 5-Year Plan 1985-1989 has the objective to make reality the orientations of the fifth congress of the FLN party and the resolutions of the 12th session of the Central Committee.

It falls in the context of the economic and social perspectives of the year 2000 time-frame.

In this connection, it provides for, and organizes implementation of, action programs aimed at strengthening assumption of responsibility for the nation's aspirations, meeting the needs for building of socialism, and bolstering the country's economic independence.

Article 3--The 5-year plan defines all the nation's economic and social activities during the period 1985-1989.

Article 4--The 5-year plan's objectives, programs and measures are contained in a general report as an annex to the original of this law. This report constitutes the reference framework for implementation of the 5-year plan.

Article 5--The 5-year plan aims at achieving the objectives of the development strategy, as follows:

1. Strengthen the construction of socialism by promotion of man, who remains the ultimate goal of development, in the context of the orientations of the National Charter and the Fifth Party Congress;
2. Assure adequate fulfillment of the basic needs of the citizens and the nation, relying primarily on national production;

3. Mobilize the national capabilities and skills;
4. Assure:
 - a) Strengthening of the country's economic independence,
 - b) Mastery of the balances and general proportions of the economy,
 - c) Development of integrated economic activities that will lead to establishment of a dynamic and organized domestic market and to improvement of foreign trade,
 - d) Spreading of economic and social development that creates equivalent conditions of social progress over the entire national territory and that achieves development of human and material potentials in all the regions,
 - e) Flourishing, enrichment and spreading of the national culture in accordance with the needs of economic, scientific and technical development through application of the necessary measures, particularly in the field of training, research, spreading of the national language and cultural activity.

Article 6--Taking into account the particular limitations during the next 5 years, the 1895-1989 5-year plan aims in particular at the following:

1. Mastery of the foreign and domestic financial balances,
2. Substantial improvement in efficiency of the economic and social structure, specifically by reduction of operating and investment costs, search for higher performance of enterprises through increased productivity, and more intensive use of available resources,
3. Broadening of the economy's material base, in particular by:
 - Strengthening and development of the potential of agricultural and water resource production,
 - Development of integrating industries by favoring the needs of priority sectors and the activities involving import substitution,
 - Continuance of the effort underway in regard to collective facilities and economic and social infrastructures,
4. Continued implementation of the national policy of regional development by furthering the territorial decentralization through balanced distribution of the human and material resources and improvement of local planning,
5. Overall coherence in the education-training system, and adaptation of its product to the continuing economic development needs,
6. Struggle against all forms of waste, and application of adequate austerity policies coordinated with the goals of the development strategy, the country's

economic and financial possibilities, the objectives of social justice, and the requirements for austerity and preparation for the future.

Article 7--In order to achieve these objectives, the 5-year plan will rely on the following:

- Continued improvement of the rate of employment and its upgrading,
- Mastery, broadening and diversification of national production and trade, and their adaptation to the evolution of the real needs,
- Strengthening of planning at all levels, and particularly establishment and development of instruments of leadership, staff training, stimulation and control of economic and social activities,
- Increased strict discipline and coordination in carrying out of actions and in respect for the priorities set in the framework of the annual plans.

Article 8. In conformance with the National Charter and the Constitution, implementation of the 5-year plan requires organization of planning that will enable:

- The state to orient, train staff, and check on plan implementers and assure coordinated execution of development to achieve the objectives and programs laid out in the national plan,
- The wilayas, communes and enterprises, through effective decentralization and strengthening of their autonomy, to fulfill the responsibilities of their activities. In this context, they must also assume their responsibilities with regard to the plan and their partners. To this end, they must receive the resources necessary to fully carry out their responsibilities.

Article 9--In harmony with the political and economic objectives assigned to the socialist sector, the planning system organizes and staffs, in respect for existing legislation, the development of the private sector activities and oversees the integration of these activities into the planned direction of development.

Part II The Planning System

Article 10--The planning system and guiding axes of organization and operation of the economy are based on a division of labor guaranteeing democratization of management, definition of responsibilities, and respect for a discipline organized around objectives assigned to each implementer of the plan.

In this context, the planning system gives priority to use of stimulating economic instruments, both to develop the initiatives of the economic agents and to eliminate bureaucratic forms in operation of the economy.

To this end, actions to improve and facilitate procedures for implementation of the national plan will be continued in order to insure, in the context of

respect for the set objectives, an operation of the economy in accordance with strengthening of the decentralized structures.

Article 11--Establishment of organized relations among the various planning structures, as well as development of a specific information structure, included in the national planning timetables, are an imperative for implementation of the 5-year plan.

In this context, and in accordance with the provisions of line 2 of the following Article 51, the promoting mechanism should insure the availability of reliable and regular information to provide optimum conditions for decision-making and followup on implementation of the objectives.

Hence, the system for regular followup of implementation of the plan must be perfected to insure the necessary adjustments, taking into account the real evolution of resources, the main parameters, and the basic proportions of the economy.

Thus, decentralized information systems must be developed on the basis of selection of staff and information content adapted to each planning level.

Article 12--The people's assemblies at the national, wilaya and communal levels, and the elected organs in the agricultural sector and the socialist management of enterprises, participate, each one as concerned, in preparation, implementation, checking, promotion, and followup of the actions provided in the 5-year plan in accordance with the responsibilities assigned to them by the law.

To this end, and in accordance with the orientations and objectives of the 5-year plan, the planning system must strengthen the role of the plans of the communes, wilayas, and enterprises, which are the framework for carrying out the missions and responsibilities of these decentralized levels.

Part III General Balances of the Economy

Chapter I Assurance of Plan Balances

Article 13--Assurance of the general balances of the 5-year plan depends on an average annual increase in gross domestic product, excluding oil, of more than 7.5 percent in real terms, in order to assure development in consumption and investment at average annual growth rates respectively of 5.8 and 7.3 percent under conditions that limit increase in the foreign contribution of goods and services to an annual rate of 6 percent.

Article 14--The profile and level of oil exports will be modified over the period to take into account simultaneously the policy of conserving deposits, external financing needs of the economy, and the international situation, in particular the development of the international oil market.

Article 15--During the period of the 1985-1989 5-year plan, sustained development of national production is to be achieved mainly by the following:

--Improvement of management of the existing production plant, raising of the qualification level of labor and supervision, mastery of operating costs, continuation of actions aimed at a sustained increase in labor productivity, and better use of production capacities,

--Respect for established schedules for going into production of projects and investment programs, particularly those in progress of implementation at the end of 1984,

--Establishment, with respect for the ranking of plan investments, of complementary production capacities with short-term preparation and implementation deadlines.

--Adaptation of the conditions and operating principles of the economy to the desired objectives during the period, and in particular the objectives of greater management autonomy and increased responsibility of the economic operators,

--Strengthening of the mechanism for regulation of earnings toward a better relationship between their variation and that of production and productivity.

--Consciousness-raising and general mobilization regarding the development objectives and their conditions of implementation.

Article 16--In regard to public investment programs, the order of priority in implementation of actions of the 5-year plan is as follows:

1. Completion of programs underway,
2. Programs for normal updating of production facilities,
3. Implementation of investments for development of existing production capacities and economic integration,
4. Actions for full preparation of new projects and investment programs,
5. Programs or projects with rapid preparation periods that contribute to satisfying urgent social needs and integration of the economy,
6. Programs aimed at establishing conditions in preparation for the future in regard to the strategic sectors.

Nevertheless, the actual progress of investments must be adjusted within the framework of the annual plans in relation to the real development of domestic resources, the gains achieved in regard to costs, the capacity for effective absorption by the sectors, and the medium- and long-term implications of the projects and programs for the foreign financial balances.

Article 17--For the duration of the 1985-1989 5-year plan, the ceiling for investment expenditures for implementation of the programs is planned as 550 billion dinars divided among the sectors in accordance with annex A of this law.

In application of the provisions of articles 16 and 33 of this law, the projected amounts of annual expenditure in the preceding line will be finally decided on and, if necessary, adjusted in the framework of the annual plans.

Article 18--Changes in level of foreign support in goods and services during the 5-year plan will take into account the necessities for integration of the economy and strengthening of the national capabilities for design and implementation, as well as conditions of medium- and long-term foreign economic and financial balances.

In this connection, resort to foreign capabilities for implementation and services will be strictly limited.

Article 19--During the 1985-1989 5-year plan, the development of consumption must take into account the objectives for improvement in individual and collective consumption levels as well as the impetus produced by the planned expansion of employment and improvement of qualification levels.

It must also reflect:

--The choices and priorities of the economic and social policy to meet the priority needs of the population,

--Protection of the purchasing power of the less-favored social elements,

--Reduction of the social and regional inequalities.

Chapter II

Insuring Mastery of the General Balances of the Economy

Section I

Role of Plan Implementers

Article 20--In order to insure mastery of the general balances of the economy and of the structural parameters of its development such as indicated in the foregoing article 13, the management of development during the 5-year plan must be carried out with strict adherence to planning discipline and the imperative of continued improvement in economic efficiency.

To this end, the plan implementers are called on to:

--Respect the rules for rational use of the existing production capacities, improve productivity, work efficiency, and mastery of costs, and eliminate waste.

--Develop forms of organization of production that will guarantee broad management autonomy to the various levels of the local authorities and

enterprises, by placing priority reliance on suitable assignment of supervisors and on the product of training,

--Develop and refine management methods to achieve progress in program planning and forecasting as well as in follow-up and checking on the activities of enterprises and units,

--Adapt, refine, and update the provisions of positive and negative management sanctions based on objective results and supervise their application.

Article 21--In conformance with the provisions of the foregoing article 11, all planning agents must establish mechanisms for checking on plan execution, organized on the basis of priority objectives and based on an information system that is coherent and adapted to the responsibilities of the various structures.

In this context, the mechanisms for checking on the set objectives must be strengthened, particularly in regard to productivity, control and cost reduction.

Section II Organization of the Socialist Sector

Article 22--In view of the determining role that is assigned to it in implementation of the development strategy, the socialist sector, on the basis of the results of the restructuring measures carried out, should increase in a constant manner its internal coordination, effectiveness, and profitability in order to achieve performance that measures up to the objectives for the period.

To this end, the expected improvement in its operation should serve during the 5-year plan as a stimulus for broadening and intensification of the intra- and intersector contacts among the national economic agents with the goal of expanding and consolidating the domestic market.

In this context, the rules of organization of production, trade and credit, and the adaptation of the financial system and the trade networks must be developed during the 5-year plan with the objective of better coordination of the socialist sector activities, improvement of operational flexibility, and greater integration of the national economy.

Part IV Organization of Sector and Area Planning

Article 23--During the 5-year period, planning must be strengthened as the single and overall reference framework for the economic and social activity and implementation of the national policy of regional development. This must be done in particular by:

--Broadening its field of application, the precision of its activity, and the coherence of its various instruments,

--Further development of decentralization and establishment of management autonomy of enterprises; in particular, better definition of the respective roles of the central and decentralized planning agents,

--A more operational character in the plans of wilayas, communes and enterprises, developed to conform with the national annual plans.

Article 24--During the 5-year plan, a close coordination of objectives and resources will be insured by a planning system that has continuing mechanisms for coordination and adjustment.

In this context, the annual plan will be the favored instrument for stimulation of human, material and financial resources in carrying out actions and programs designed for the medium term.

The plan, as a result of the broadest consultations organized in preparing it, will be a basic instrument for periodic adjustment of objectives and resources to the economic, financial and social conditions relating to current or short-term phenomena, in particular those relating to the state budget estimates, the general program of foreign trade, and the implementation of the credit, prices and earnings policy.

In this context, the annual plan will constitute for the year in question the single and overall reference framework for the activity of all the economic agents.

It will give rise to final annual plans prepared by the economic and social agents, and above all the enterprises, wilayas and communes.

Article 25--The enterprise plan is the favored instrument for staffing of management and establishment of enterprise autonomy.

It is prepared annually by each enterprise, in accordance with its responsibilities, on the basis of a multiyear program that reflects the medium-term development objectives.

It is finally decided in coordination with the national annual plan.

It includes all the aspects necessary for the productive activity of the enterprise: supply, employment, wages, financing, marketing, investment and training.

Its objective is increased production, improvement of productivity, as well as control and reduction of costs.

Article 26--The wilaya plan is the framework and instrument for coordination of development action for all the economic and social agents in the wilaya area. It is the primary tool in implementing the policy of regional decentralization, and its objective is intensive use of the human and material capabilities to achieve better satisfaction of local needs and reduction of the regional imbalances.

It lays out for each wilaya the choices and objectives of the economic and social plan established by the national plan. It incorporates the choices and options of the national regional development policy providing coherence and localization of projects in accordance with the potentials, needs, and specific characteristics of each wilaya.

Article 27--The commune plan defines the framework and the resources for implementing all the development actions as a whole, based on the commune area.

It is a favored means for decentralization at the local level, and its objectives are to handle the basic needs of the citizens, mobilization and development of the particular potentials and resources, as well as strengthening of the local economic base.

It applies and integrates at the communal level the development patterns necessary for harmonious development of the local area.

Article 28--In conformance with the wilaya and commune codes, the wilaya plan lays out the details of the development actions that are the direct responsibility of the local authorities: wilaya and commune.

It makes coherent the sectorial actions at the local level, particularly in respect to localization and establishment of projects.

Article 29--The wilaya and commune plans are prepared annually by each of the institutions involved on the basis of a multiannual development program reflecting the long- and medium-term objectives, particularly in regard to regional development, in order to assure conformity of actions of a local nature with the the overall objectives such as harmonization of the sector programs to the specific conditions of the wilayas and communes.

Article 30--Preparation of the wilaya plan must be carried out in close cooperation with the communes to arrive at the action strategy and to define the operations and distribute them over the area.

The commune and wilaya plans are prepared jointly by the two institutions, initiated and coordinated at the wilaya level. They are carried out through annual implementation plans.

Article 31--In regard to investment, the wilaya and commune plans are drawn up in language explicitly specifying the financing sources (state, wilaya, commune, and others).

Part V

Instruments for Supervision and Regulation of Economy

Article 32--The planning system establishes the instruments for supervision, organization and control of the national activities, on the basis of strengthening integration and intersectoral and inter-regional programing and the contractual relations among the economic agents.

Implementation of the plan, in all its aspects, will give priority reliance on strengthening and adapting the instruments for administration and regulation of the economy to the necessities for unified direction of development combined with increased decentralization of decisions and greater responsibility and management autonomy of the economic agents.

The use of these instruments will be coordinated and centered around the objectives of the annual plan.

Chapter I Investments Planning

Article 33--During the 5-year plan, the objective of control of investments will be strengthened on the basis of the results of the undertaken organizational measures, through development of appropriate mechanisms and procedures aimed at achieving compliance with the established priorities.

To this end, the decision to invest should combine timeliness and full preparation of programs and projects.

Furthermore, the procedures relating to the investment action will be adapted to the necessities for better planning of actions and increased responsibility of the concerned economic agents in view of the nature, importance and impacts of the investment projects and programs.

The annual plan will organize regulation of the expenditure levels and their breakdown into programs and projects, taking into account the need to match the schedule of initiation of projects and programs with that of broadening the real capabilities for absorption and application of the investments within the economy.

Chapter II Planning of Production

Article 34--Planning of production is the fundamental axis on which are organized the various sections of the final annual plans of the economic agents.

Thus, it is aimed at organizing mobilization and intensive use of the production apparatus under conditions of increased effectiveness, economy in production factors, and improvement of productivity, through:

--Improved availability of supply of goods and services, including, as opportunity offers, for export purposes,

--Substantial substitution of national production for imports,

--Better adaptation of production to the market, both in quantity and quality.

To this end, planning of production must extend its field of application and rely particularly on:

- Greater decentralization and management autonomy of the economic operators,
- Development by sectors of management parameters and norms that are specific to the activities and capable of establishing and conforming to objectives,
- Development of procedures appropriate to the needs for preparation, followup, and control of implementation of the plans, as well as for the needs in development of technical, economic and social information.

Chapter III Planning of Trade

Article 35--The goal of trade planning is to organize the relations on the national market and with abroad in conformance with the internal and external financial balances. Thus, the expected improvement in satisfying the economy's needs must be achieved through increasing production, priority participation of national production in meeting demand, as well as through the results of introduction of the instruments for regulating the economy.

To this end, intensification of trade will be achieved through the following in particular:

- Improved network flow through greater use of instruments of a commercial nature and strengthening of the public structures for wholesale trade,
- Stimulation and strengthening of the domestic distribution network to make it a continuous chain linking producers to consumers,
- Better administration and control of the trading function toward regulation of product flow, quality and prices,
- Development of trade information relating to national production.

Article 36--In regard to foreign trade, state action will involve:

- Better planning of supply, in conformance with the annual plans,
- Establishment of mechanisms for structuring the involvement of foreign implementation and technical assistance capabilities,
- Definition of the instruments for promotion of exports and establishment of objectives for exports, excluding oil.

Chapter IV Financial Planning

Article 37--The goal of financial planning is appropriate use of the financial resources of all the economic agents in relation to the short-, medium-, and long-term operating objectives. This should be strengthened through:

- Improvement of financing networks,

--Refinement of methods of forecasting resources and expenditures of the state and all the economic agents,

--Development of the methods for followup and control of change in the money supply and credit.

To this end, financial planning must continue to adapt its organization and mode of involvement to the decentralization of activities and to the autonomy of enterprises.

Article 38--In regard to credit, financial planning must aim at the following:

--Adaptation of the financial system to the objectives of the economic and social development,

--Increased mobilization of domestic savings by appropriate means, and their direction toward the objectives of the national plan,

--Progressive adaptation of the conditions for granting credit and the rates, of the costs of mobilization of resources, both domestic and foreign, as well as of the objectives of the annual plan,

--Development of the monetary control mechanisms,

--Progressive development of the forms of self-financing by enterprises.

Article 39--In the tax field, completion of reform of the tax system to adapt it to the plan objectives will concentrate on:

--Simplification and clarity of the system,

--Elimination of unjustified surpluses,

--Greater social justice,

--Structuring of activities in conformity with the regional development policy,

--Development of local finances and their adaptation to the needs of development and management of local affairs,

--Development of saving and its mobilization for productive purposes.

Chapter V Planning of Prices

Article 40--In conformance with the necessity to regulate the fluctuation of costs and prices and with the planned development of the people's standard of living, prices planning must do the following in the context of the general balances and the plan objectives:

--Seek to establish consistent prices of the various goods and services so as to promote rational behavior by the economic agents and better use of the factors of production,

--Enable, along with regular supply, the meeting of the population's basic consumption needs, within the framework of determining the typical family budget.

Article 41--In the context of the established price objectives, the implementation actions will be based on:

--Creation of flexible mechanisms for establishing and modifying prices that will progressively achieve a general price level reflecting the conditions of production and performance of the economy,

--Differentiation of the price-setting regulating levels in correspondence to the nature and impact of the products and services on the economy and consumers,

--Refinement of the management mechanisms, norms, and methods so as to define and control the cost price of the various goods and services,

--Organization of the actions for support and balancing of prices of certain products, in conformance with the requirements for fulfilling the citizens' basic needs and economic development. As a general rule, these must operate outside the production sphere to avoid harming the profitability and operate in accordance with the principles of enterprise autonomy,

--Definition of the system and levels of profit margins for essential products, aimed at avoiding situations of speculative gains, while properly rewarding services genuinely provided.

Chapter VI Planning of Earnings

Article 42--Planning of earnings must, by implementing the national wage policy and adequate structuring of non-wage earnings, assure the following:

--Better correspondence between fluctuation in earnings and real expansion of national production,

--Greater harmonization of wages and earnings,

--Greater correspondence between earnings and development of availability of goods and services, as well as the level and structure of forecast consumption,

--That wages have an economic stimulant character to reinforce the actions for employment distribution and improvement of productivity in conformance with the plan priorities,

--Protection of the purchasing power of the less-favored social elements, particularly in regard to the rural environment.

To this end, the fluctuation of earnings will be administered by the following:

--Development at the central level of suitable administration and followup instruments, differentiated according to the nature of the earnings,

--Establishment during the 1985-1989 5-year plan of economic administration of wages in enterprises,

--Administration of non-wage earnings and channeling of the surpluses into financing of productive activities and some social investments.

Furthermore, in a general way, necessary adjustments of earnings during the 5-year plan that will have to take into account both the general development of prices, the general balances of the economy, and the achieved productivity gains.

Chapter VII Organization and Administration of the Private Sector

Article 43--In reference to the provisions of article 9 of this law, the investments of the national private sector will be directed toward activities complementary to those of the public sector, in order to increase production of goods and services, in relation to the country's economic policy objectives and taking into account the requirements for regional development.

Article 44--In reference to the provisions of article 39 of the aforementioned law of 21 August 1982, the planned maximum totals in paragraphs 1 and 2 of article 28 of that law will be adjusted in the framework of the annual plans and set each year by the finance law.

Article 45--During the 5-year plan, the national private sector in general and the craftsmen in particular will benefit from necessary measures of encouragement and support, relating to the objectives of production of goods and services, job creation, and development of rural zones.

To this end, the socialist sector will develop the appropriate initiatives to stimulate specific actions promoting complementarity of activities and greater integration of the national economy, particularly by means of establishment of contractual relations with the national private sector.

Part VI The Annual Plan

Chapter I The Annual Plan as an Instrument of Regulation and Adjustment

Article 46--The overall coherence of implementation of the 5-year plan actions and the related measures for organization of the economy come about

through annual implementation measures.

Article 47--The annual plan at the national level is the instrument for implementation, economic regulation and adjustment of the 5-year plan.

Its objective for the year under consideration is to:

--Set the overall economic and financial balances, as well as the proportions between the various economic powers and the conditions for their development,

--Specify the conditions for organization and operation of the economy, and insure the implementation of the regional development policy.

--Organize the followup of implementation, and check on the carrying out of the pursued objectives.

Article 48--The annual plan introduces mechanisms for adjustment of the action programs in order to guarantee, throughout implementation of the plan, respect for the order of priorities, the general coherence in the medium term of the objectives set, and maintenance of planning discipline and implementation of the decisions in regard to regional development.

The annual plan defines the nature and phases in introduction and development of the planning instruments and indicators, as well as improvement at all levels of collection, dissemination and circulation of economic and social information.

Article 49--The annual plan includes:

--The annual programs for implementation of the 5-year plan in the fields of investment, production, trade, training and employment,

--The instruments for direction and administration of the economy, the distribution program, the conditions for financing the annual plan, and the measures for applying the prices and earnings policy.

Furthermore, it prescribes the progress to be achieved in organizing the actions of the plan implementers in order to insure progressive improvement of planning by effective management of orientations and measures of the 5-year plan, as well as their followup and surveillance.

Chapter II Preparation and Implementation of the Annual Plan

Article 50--The work of preparing the annual plan involves an obligatory schedule, on the basis of a standard structure organizing circulation and processing of information at all planning levels.

All plan implementers are required to absolutely conform to the schedules and to organization of the work of preparing the annual plan.

Article 51--The annual plan is the organizing framework for the activity of all the plan implementers and for applying the measures and mechanism provided in the 5-year plan.

It insures the coherence necessary for maintaining coordination of all the programs and implementation measures of the national plan. The estimates for the state budget, the general program of foreign trade, and the application of earnings planning in particular must be made in the framework of the preparation work of the annual plan.

Article 52--The People's National Assembly approves the content of the parts of the annual plan draft relating to the law.

When the annual plan is presented to the People's National Assembly, the representative of the government gives a report on all the actions and implementation measures to be carried out.

Article 53--An annual plan implementation report will accompany the draft annual plan.

It is transmitted in accordance with the existing legislation.

Part VII Special Provisions

Article 54--All the national institutions and the plan implementers are required to apply the provisions of this law and to adhere to the orientations, objectives, programs and measures contained in the attached general report, as well as to the annual plans deriving from it.

In this connection, they are required to:

--Conduct their activities in the framework of the institutional, economic and social measures provided by the law for the medium term, as well as of the derived annual plans.

--Mobilize all material and human resources at their disposal to achieve through work and austerity the objectives assigned to them.

Article 55--This law will be published in the JOURNAL OFFICIEL of the Algerian Popular and Democratic Republic.

Done in Algiers, 24 December 1984.

Chadli Bendjedid.

ANNEX "A"
Investment Program of the 1985-1989 5-Year Plan

	Billion Dirhams (DA)
Agriculture-water projects, including:	79
Agriculture	30 billion DA
Water projects	41 " "
Fishing	1 " "
Forests	7 " "
Industry, including:	174.2
Oil	39.8 billion DA
Implementation means	19
Transport means	15
Storage and distribution	15.85
Post and telecommunications	8
Economic infrastructure	45.5
Housing	76
Education-training	45
Health	8
Other social infrastructure	20.45
Communal facilities	<u>44</u>
Total	550

9920
CSO: 4519/112

10 April 1985

ALGERIA

PEASANT LEADER URGES DEFENSE OF LAND

Algiers ALGERIE ACTUALITE in French No 1007, 31 Jan-6 Feb 85 p 23

[Article by A. Sebaa]

[Text] "Since the holding of the third session of the Central Committee of the FLN Party in 1980, at which the agriculture situation was studied, a number of texts have been drafted with a view to settling the problem of the 'illegal occupants' of the self-administered state properties. Now it is clear today that these texts were not in fact applied in practice. The transfer operation is developing very slowly." This was the first explanation Mr Nadjem Aissa, a member of the Central Committee and secretary general of the UNPA [National Union of Algerian Peasants], made a point of providing. "If the presidential directives had been executed strictly at the base level, substantial results would have been achieved." Mr Nadjem Aissa, who places the issue of settling the problem of "illegal occupants" within the overall framework of agriculture reorganization, and more specifically that of restructuring the self-administered state properties, went on to say the following: "The slogan of the party congress, 'Work and Austerity To Guarantee the Future,' is not just a slogan. It is a program for work. And the priority established for agriculture is a decision of the congress which should be implemented. Specifically, this means ironing out a certain number of difficulties in connection with equipment, irrigation, financing, drainage, etc. The problem of the illegal occupants is an integral part of the hindrances slowing the development of agriculture." On the question of how this problem can be resolved most speedily and equitably, Mr Nadjem Aissa, in addition to insisting on the application of the existing legal texts, added: "Within the framework of the operation of reorganizing the self-administered state properties, land has been made available for assignment to the illegal occupants for construction purposes. This has been done on the level of all the communes. This land, distributed in the form of lots, had been judged unsuitable for exploitation, due to location (in urban zones) or because of area (resulting from the reorganization of the real estate base of production units, and thus necessarily scattered or unproductive). The question being asked today is what has happened to this land? Illegal occupants who have the financial resources to build and who have been allocated a plot of land have not done anything to date. They are waiting for the state to build for them. Now the state cannot build for everyone. Particularly since the people who are comfortably situated are behind in their rent and utility payments (electricity, water). They could very well be required to pay up." Along the same

line of thinking, it would doubtless be of interest to recall that the inter-ministerial instruction dated October 1984 called for state aid for self-construction by people lacking financial resources and land. "There are also," Mr Nadjem Aissa went on to say, "people who have housing elsewhere and who continue to occupy state-owned homes. They should leave immediately. This operation is a part of the reorganization of the production units, and this is why it must be pursued to the end. As a national union, we can mobilize the workers, once the hindrances are eliminated, to establish the real basis for the development of our agriculture."

Taking up the question of the preservation of farmland, Mr Nadjem Aissa went on to say: "The public bodies are working closely with us. Urban development plans are being respected. The land made available through the reorganization of the self-administered state properties is being allocated for urban development, in particular that lying on the urban outskirts. Now the problem of the people who have built illegally on land belonging to the production units remains. These premises must either be destroyed or expropriated for the use of the production units. When it comes to the land belonging to the private sector, the problems are of a different nature. In a period in which real estate transactions were prohibited, some people sold plots of land illegally. This land was diverted from agriculture uses. The buildings which were put up as a result must be destroyed. In the future, only the real estate transactions which do not pose a threat to the agricultural use of the land will be encouraged. Our land is threatened and we must defend it, whatever the cost."

5157

CSO: 4519/108

ALGERIA

DEVELOPMENT PLANS FOR FUTURE CAPITAL CENTER DETAILED

Algiers EL MOUDJAHID in French 18 Feb 85 p 3

[Text] (APS)--The future headquarters of the National People's Assembly (APN), the convention center and national library will be the first large projects on which the future heart of the capital planned for Hamma (Algiers) will be built.

The models for these three projects have been submitted to the president of the republic and secretary general of the FLN Party, Chadli Bendjedid. They are the final product of a domestic and international architectural competition launched last 11 September within the framework of the development of the entire Hamma region.

The architectural complex including the three buildings is moreover to be related in its design to the Riadh El Feth complex and the experimental garden.

In studying the project models, the chief of state is expected to place particular emphasis on the need to pursue a team effort and to see to coordination among the bodies involved so that the projects will benefit from detailed studies and all of the necessary attention.

Similarly, he gave specific instructions on the need to maintain green areas and to take into consideration the authentic architectural characteristics which reveal the Arab-Muslim nature of Algeria and take the climate of the country into account.

Very clearly, these instructions should be taken into account in the execution of the projects, pertaining in particular to the three buildings, and in the development of the future center of the capital in general, for this is an urban development project which will affect the architectural future of the capital.

The modernization of the Hamma and Hussein-Dey districts has been seen as a necessity for several years, and the project should move gradually into the active stage beginning this year.

In fact, the final decisions on the three projects will be made during this year.

All the necessary precautions have been planned with a view to ensuring the harmonious rebuilding of the districts which will be affected, in connection, among other things, with the resettlement of the residents.

The plans for the headquarters of the APN, the convention center and the national library were specified by regulatory provisions.

The assembly building will cover an area of 27,722 square meters. To this must be added the corridors, storage and rest room areas.

In all, the plan for the assembly building includes 19 areas, including among others a conference hall (1,290 square meters), a waiting room (762 cubic [sic] meters), administrative offices (515 cubic [sic] meters), an entrance hall with drawing and reception rooms (1,400 square meters), an office of the presidency of the assembly (685 square meters), vice presidential offices (960 square meters) and committee offices (5,460 square meters).

The plan also provides for a general secretariat, administrative support premises, a library (1,500 square meters), technical services (1,845 square meters) parking lots (2,190 square meters), the necessary lodgings and premises for the deputies.

These areas are to be organized with attention to the density of the flow, very intensive at times, in particular to and from the waiting areas, the conference hall and the committee offices, it was explained.

The complex thus designed will be divided into two buildings separated by a corridor, including a headquarters for the APN with an area of about 26,000 square meters and a residence for the deputies with an area of about 10,000 square meters.

Where the design of the convention center is concerned, the purpose of the plan is to resolve a problem which has faced the capital for a long time. It involves making a hall of large capacity available to make it possible to put on performances requiring complex installations and attracting large audiences, on the one hand, and the holding of national and international conferences and congresses, on the other.

This double possible use is the reason for the need to design a single hall holding 5,000 people which can be converted for the presentation of performances (drama, opera, ballet and concerts) with an audience of 2500. This hall will have the annexes essential to both activities.

In all, eight large areas have been planned. They are the areas for the use of the public (6,150 square meters) and for use by officials (2,000 square meters), the area for convention activity (2,000 square meters), a large hall (8,240 square meters), the area for use by performers and technicians (2,200 square meters), rehearsal area (3,000 square meters), and the areas intended to house workshops (7,000 square meters) and administrative units (4,800 square meters).

The design of the new national library is intended to create an institution capable of meeting the increasing needs of the country in the realm of public reading facilities and all of the documentation useful to readers and researchers.

The new national library will have a maximum storage capacity of 10 million works and the capacity of accommodating 4,000 readers.

Original in design, this library will suggest its openness to the world as well as its modern character, adapted to technological development, it is noted. It is also expected to play a leading role in research, training and publication.

The 10 areas making up the national library premises will cover a total area of 52,000 square meters. There will be a lobby (1,680 square meters), reading rooms and annexes (17,900 square meters).

The building will also have training and practice rooms, administrative and technical offices, general storage areas and the necessary lodging premises.

To these areas the corridors and other service areas must be added.

5157

CSO: 4519/108

ALGERIA

RECYCLING OF METAL RESOURCES NOW BEING PRACTICED

Algiers EL MOUDJAHID in French 5 Feb 85 p 7

[Article by Ali Guissem: "Iron for Reworking"]

[Text] In other climes, the collection and recycling of various waste substances is really not recent. Quite the contrary. In this connection, let us mention the periodical founded in 1906, and printed, as if to be more persuasive, on recovered and recycled paper. In addition, it bears the name of its reason for existence: RECUPERATION. The practice of recycling both old paper and other products generally known as "scrap iron," for its part, was no disappointment to those who initiated it.

In our view, the explanation surely lies in the reduction it makes possible in the cost of purchasing raw materials, on the one hand, and in the role it plays in limiting the waste of natural resources, on the other. However, its thrust remains dependent on the productive flow from the consumer plants on the local level and the demands the economic situation makes on the international level.

In France, for example, its contribution is considerable. In the paper-producing sector, it accounted for 39.7 percent of the rate of use in the first quarter of 1984. A policy has been established in this country with a view to raising this rate of use of recycled paper to 43 percent. Again in that country, and in the metallurgical sector in this case, the consumption of the scrap iron purchased by French plants was 52.5 percent in 1983. This type of consumption accounts for more than 30 percent of the total in America. Recycling is exceeding all records on the international market as well. It thereby demonstrates the industrial power of a country as reflected in "production" or consumption of scrap iron. In May of 1984, the record rate of American exports came to 384,0937 tons, Japan being the main purchaser with 211,3067 tons, followed by South Korea, with 180,242 tons during the same period.

It is obvious that in Algeria too this activity is not at all unknown. "We exist and we are producing many things," Mr Lamry, director general, and Mr Sergoua, central director of the national recovery enterprise, confirm. With "iron strength" they assert that "recovery is an industrial process found both preceding and following economic activities."

Prior to this economic activity it involves collecting, among other things, all the industrial waste and scraps of metal origin. Then comes their treatment and processing. Farther down the chain, recovery supplies Algerian basic industry, and the surplus is exported to foreign countries at the rate of 5-6 billion per year.

Let us recall that the present National Reclamation Firm (ENAREC) was assigned to the SNS [National Steel Company] in 1968. With the implementation in this company of the GSE [socialist management of business], it became an SNS division made up of three regional units, until the end of 1982.

There are still today three recovery enterprises in all our national territory. One is in the eastern part of the country, the second in the center portion and the third in the western section. Established on 1 January 1983, the central enterprise, for its part, is more oriented toward exploitation, although not without first satisfying local demand, which still has priority. This task is assumed by the regional recovery enterprises. And then, there are no large ironworks in the central section. We should explain further that foreign export has to do only with ferrous metals. Nonferrous metals such as lead, copper, zinc, bronze, aluminum and tin, Mr Lamri says, are strategic and rare products. This is why they represent the noble products of recovery. Their price is quoted on the world stock market. They remain almost the same, despite successive recycling. The secret of all this indeed lies in their intrinsic qualities, which are in demand by certain key industries such as the space, electronic and precision engineering industries. This kind of recovered metal is obviously not exported. Moreover, the quantity collected does not by any means equal that of scrap iron. By way of example, the activity of the Central Recovery Enterprise in 1984 produced a total of 74,342 tons of scrap iron as compared to 1,791 tons of nonferrous metals, roughly divided between permanent and temporary work sites. The permanent work sites, in this case, are the plants. The Ghardaia Pipe Factory generates a large quantity of better quality scrap iron. Unfortunately, getting it to the consumer plants, with El Hadjar requiring the lion's share in this sector, remains dependent on somewhat erratic transportation facilities. The result, as everyone can guess, is the shipment of the scrap iron to the north, with some 100,000 tons leaving our ports for Italy, France, Spain and the FRG. As to the temporary collection sites, the ERC collects all of the so-called reformed products, ranging from agriculture to farm machinery and including old car chassis.

In addition, and this is also a part of its task, the ERC recovers all of the scrap iron produced by its demolition work, as in the case of the Hamma Halls in Belcourt and Hussein Dey.

Finally, concerning that enterprise, it remains to be noted that all of the material and structural resources need development, above all where the processing and storage areas are concerned.

For an enterprise which nurtures extensive ambitions, with plans already to engage also in the recovery of nonmetallic substances (rubber, paper, textiles, plastics), no encouragement could be too much.

Let us note finally, as Mr Lamri does, that "in an austerity period, recovery justifies its role in the national economy."

ALGERIA

CUSTOMS REGULATIONS FOR RETURNED NATIONALS EXPLAINED

Algiers EL MOUDJAHID in French 18 Feb 85 p 12

[Article by C. P.: "Change of Residence With Transfer or Change of Activity"]

[Text] As a supplement to the article carried in EL MOUDJAHID on Monday, 21 January 1985, entitled "The New Provisions," the Customs Administration is now drawing the attention of national importers who are nonresidents to the legislative and regulatory provisions and methods used in connection with the system for transfers or changes of activity within the context of a change of residence.

--Transfer or change of activity and the principle of free entry. Under the terms of Article 202 of the Algerian Customs Code and the texts supplementing it and establishing the methods of its application, nonresident nationals registered with our diplomatic or consular offices may, on their final return to Algeria, benefit from advantages provided by the customs regulations on imports. In fact, they may import free of charge and exempt from the foreign trade formalities as well as rights and duties, such equipment and material as is intended for their professional use in connection with the transfer or change in activity previously approved in accordance with the domestic legislation in effect.

--The conditions required for benefitting from the transfer or change of activity system. In order to benefit from the provisions of Article 202 of the Customs Code and the texts governing the application of the system in question, certain prior conditions must be met.

In fact, only those nonresident nationals who can justify the following may apply for the privilege of exemption from rights and duties on the import of materials and equipment:

1. A stay outside the territory of at least 3 years, as of the date of the residence change application.
2. Such individuals may not have benefitted from an exemption for at least 8 year prior to the state of the change of residence.
3. Actual pursuit of the activity abroad during the 3 years immediately preceding the application for transfer.

It should also be noted that by virtue of the provisions of articles 163 and 171 of the Finance Law for 1985:

a) automobiles used in connection with a professional activity previously pursued abroad, the transfer of which has been authorized by the legislation in effect, may not be more than 5 years old, counting from the date of first use.

b) material and equipment for use in a previously authorized new activity must be new or reconditioned, under guarantee as of the date of import.

--Documents required. In order to be entitled to the benefit of the advantages of the above-mentioned system, nonresident nationals who have met the above listed conditions should present to the customs offices, in support of their statements of use, the following documents:

1. A certificate of change of residence issued by the consular or diplomatic authorities.
2. An inventory list of the material and equipment imported.
3. A document issued by the competent foreign authority certifying that the importer did engage in an agricultural, industrial, commercial, craft or cultural activity for at least the 3 years preceding the date of the application for transfer.

In order to be valid, documents 2 and 3 described above must bear the visa of our diplomatic or consular authorities.

4. A certificate solemnly certifying that the material and equipment brought in exempt of duties and taxes will not be given, or, should the occasion arise, lent to another party another unless these duties as required within the periods established by the legal texts have first been paid.

5. It should be noted, finally, that the importer must submit the documents listed to the nearest customs bureau to his residence in Algeria.

--Miscellaneous provisions. The Customs Administration must explain to non-resident national importers that the benefits of the transfer or change of activity system are added to the benefits of the system for importing belongings and furnishings, including pleasure or business vehicles exempt from duties and taxes.

The Finance Law for 1985 includes a provision calling for collection of a fixed fee equivalent to 1,000 dinars in the foreign exchange counterpart for each operation affected within the context of a change of residence resulting in a customs statement of exemption from duties and taxes.

That being the case, it is recommended that importers, with a view to facilitating the customs exemption operation, present all material and equipment imported at a single time for customs clearance.

Importers desirous of obtaining fuller information may apply to the nearest customs offices or the pertinent consular posts.

EGYPT

ADDITIONAL WATER CONSERVATION, PLANNING NEEDS REVIEWED

Cairo AL-MUSAWWAR in Arabic 8 Mar 85 pp 28-30

[Article by 'Abd-al-Tawwab 'Abd-al-Hayy: "The Drops of Water Are Being Threatened: How Can Egypt Face the Possibilities of Drought?"]

[Text] More precious than drops of oil are drops of water!

The drops of water are being threatened. The effects of the drought which has swept over 34 African countries and from which the High Dam protected us for 5 years running may catch up with us this year!

How and in what form will the effects of the drought catch up with us? How will the country face the warning signs of catastrophe and bring about the most serious form of self-sufficiency -- self-sufficiency in water -- for Egypt?

The main source of water in Egypt is the Nile. The country gets 95 percent of its water resources from it. The remaining 5 percent comes from groundwater and sparse rainfall! Republican Decree 653 for 1980, which defines the areas of competence of the Ministry of Irrigation, stipulates in its second article that one of the ministry's areas of competence is "To set out, plan and carry out projects to develop water resources from the Nile and its tributaries and surface, groundwater, rainwater and drainage water sources." That is, the burden of facing the warning signs of catastrophe and realizing self-sufficiency in water lies entirely on the shoulders of the Ministry of Irrigation, although the Ministry of Agriculture has some of the jurisdiction and some duties, as will be apparent!

How will Egypt cope with the possibilities of drought and the warning signs of another lean year?

Diving deep into the bottom of Lake Nasir, exploring our water situation in precise, unequivocal terms, the lake's entire water reserve now does not exceed 70.5 billion cubic meters. Out of this, we will draw 25.5 billion by the end of next July. There remain 45 billion. It will be possible to draw 15 billion of this to cover the deficit in the next flood, if it turns out low, within the limits of 35 billion, as in the last 5 years. The rest, 30

billion, 147 meters above sea level, is to be considered dead storage which cannot be used except with the caveat that it is a threat to public health and will paralyze the operating capability of the electricity plant!

Until the next flood comes, whatever form it takes, the lake's reserve will be about 45 billion cubic meters and its level will be 156 meters, the lake's lowest level since storage in it began after the diversion of the Nile in June 1964! Will we be compelled to draw out an additional 35 billion and thus reach the level of 147 meters, the level of the dead capacity of the lake? Will it be possible to draw from the dead capacity of the lake after that, if circumstances compel us to do so?

Eng 'Isam Radi, minister of irrigation, sheds light on the situation: "If the dead storage in the lake starts at the level of 147 meters, the live storage ranges from the levels of 147 to 175 meters and the dam lake's reservoir has been designed on a basis where the storage in it ranges between these two levels as it rises and falls. The design of the electric plant's turbines guarantees that they operate under water pressure from the difference in elevation ranging from 35 to 75 meters. Optimum operating capability is realized at a water pressure of 57 meters, that is, at a level of 165 meters behind the dam.

"From the practical standpoint, it is not possible to draw from the lake's dead capacity or to bring the lake level down below 147 meters. This volume has been set aside to cope with the silt in the lake. In addition, it is not possible to draw through the tunnels. This is above and beyond exposing the dam's turbines to 'cavitation,' or the forming of air cavities, where the water is mixed with air, which subjects the tunnels to danger!

"Therefore it is impossible for us to draw from the dead reserve of the lake. How can we act if the flood turns out low this year? I can answer you: In the 1959 Nile water agreement between Egypt and the Sudan there is a special stipulation which answers this question. The stipulation reads, 'When it is likely that there will be successive years of sparse input and that there will be a successive decline in the storage levels in the High Dam to degrees which might not be favorable for making it possible to withdraw the two countries' requirements in full in any year, it will be part of the function of the board (that is, the Permanent Joint Nile Water Technical Board) to set out a system for procedures the two republics must follow to cope with this sort of situation in sparse years, so that it will not subject either of them to harm.' The board set out a system to reduce the two countries' share of Nile water in the form of portions at specific ratios ranging from 5 to 20 percent. The drop in Egypt's share of Nile water (55 billion cubic meters, if the flood turns out to be low), will require a national campaign to guide water use in farming, industry and drinking water. Perhaps the situation, with the agreement of the Ministry of Agriculture, will require that change be created in the crop structure, and this could affect the area of crops with high water consumption, rice as one example and sugar cane as another!"

The minister of irrigation fell silent as if he was giving a prayer for rain, then was seized by a note of hope: "In the 1913 flood, which is

considered a record for low floods, Egypt's share of the river's input was 42 billion cubic meters. All we received that year was 30 billion. The difference has not been the sharpness of the drop in the river's input but the increase in the Sudan's water consumption in accordance with its needs! However, an analysis of precedents of the Nile flood over the years of this century will confirm that this year's flood will be at least average. Last year's scant flood has not been repeated in the observed life of the Nile over two successive years! The drought years are in general also disrupted by high flood years and the opposite is also the case. This is where hope arises!"

However, in order for the Nile to overflow this year, we must all be mobilized under the banner of a national water use guidance plan. Eng 'Isam Radi said, "In the context of irrigation water, it is necessary to raise capability of use to the maximum level. On the old land of the valley, water use capability is declining to between 45 and 55 percent; the rest is waste which is lost in the fields and the canal systems and lost to percolation into the ground, as it is lost to evaporation and exudation from plants which fill the canals and irrigation channels! What is required is to control water from the Nile to the irrigation channels in the fields. The plan is proceeding along three axes:

Increasing Water is a Detriment to the Crops!

"The general canal system, from Aswan to the sea, is the most important axis. The canals in the valley total 35,000 kilometers in length, not calculating private irrigation channels or drainage canals, whose total length alone comes to 18,000 kilometers! It is necessary to review the sectors of these canals and scrutinize the processing works, the barrages and so forth which control their water distribution, in order to observe the water they lose through evaporation, seepage, silting up or the erosion of banks, which causes an increase in the surface of the water areas and the water drained off and disrupts the distribution process! It is necessary to control incursions by farmers on canals and irrigation channels by establishing additional openings to draw out further water, out of their assumption that increases in water mean increases in crops! It is necessary to modernize the barrages and barrage gates so that they can be opened and closed mechanically in accordance with water levels and to get the Egyptian peasant to go back to night irrigation rather than having congestion in the irrigation system during the daytime. The system is basically designed to work 24 hours! The situation also requires that we supply the terminal points of the canals with special channels so that their water will not flow into the drainage ditches, use the telemetering system for the automatic transmission and distribution of water while reducing the intrusion of the human element, constantly resist canal and irrigation channel vegetation in order to eliminate the phenomenon of loss through exudation and deal with the problems of water seepage from canals which cross over sandy terrain by lining them with concrete, concrete tiles, plastic sheets or rubber and bitumen!

Irrigate a Strip and Leave a Strip!

"If the control and tightening up of water distribution in the general system of canals and irrigation channels is one side of the national plan to

guide water use, the development of irrigating capacity within the field is the other side. The methods for developing and controlling field irrigation include the grading of field lands, so that they will not consume more water and give smaller crops, the cleaning of plants from private irrigation channels, the guidance of irrigation methods by flooding through the use of methods for irrigating by basins or plots on slopes which are in keeping with the type of soil, and the use of long strips whose sides are planted, where you can irrigate one strip and leave a strip for a period, so that water will seep into it whereby when it is irrigated it will need less water! These sorts of methods will raise field irrigation capability from 50 to about 80 percent, that is, the equivalent of the capability of sprinkler irrigation without the use of field equipment and machinery, so that there is no energy consumption in the operation!

Water -- a Commodity without a Price!

"The third axis for the guidance of irrigation water consumption is the rationing of the right to use water and the economic appraisal of water. Irrigation water is a commodity without a price. Therefore there is no economic rule governing farmers' consumption of it and it is necessary to introduce water into the framework of the economic accounts for each crop in the light of costs and available water resources in such a way that the choice between crops will be whether we should cultivate sugar cane in order to obtain sugar, or should cultivate sugar beets.

"This is what is meant by the economic appraisal of water; receiving the price for it from farmers is not what is meant!"

Eng 'Isam Rida said, "All these abovementioned elements and axes in the irrigation water consumption guidance plan began to be applied this year over an area of 125,000 feddans in al-Minya Governorate, in the form of a national irrigation development program. The program is based on the results of experimental projects which had been carried out previously, in 1977, in the Governorates of al-Minya, Giza and Kafr al-Shaykh. From al-Minya, the national irrigation development program will be put into general application, gradually, in the various areas of valley lands."

How much will irrigation water consumption guidance save?

The minister replied, "Five billion cubic meters, that is, the equivalent of the capacity of the Aswan reservoir or one third of the benefit Egypt derived in terms of water from the construction of the High Dam!"

I asked the minister, "What about the winter water of the dam, 2.5 billion cubic meters which flow into the sea unused over a period of just 20 days each year?"

Eng 'Isam Radi replied, "That is outside our control. However, we are studying the reuse of winter dam water by storing it in such depressions as Wadi al-Natron or Wadi al-Rayyan, or draining it off into Lake al-Burullus while desalinating the water there so that it can be reused. There are other alternative ideas. The winter dam water is the water required to generate

electricity from the dam station and guarantee shipping in the river at times other than those of irrigation requirements. One idea tabled for study is that we should refrain from draining off the winter dam water totally, provided that we compensate for the electricity from the dam during that period with thermal power plants, and make up for river transportation by overland means of transport. These are all ideas under study!"

Water is used in industry in two ways: the production process itself and the process of cooling machinery. Cooling water is generally returned to the watercourses, bearing oil, lubricants and some poisonous materials!

The minister of irrigation said, "The first point in guiding water consumption in industry is to reuse cooling water more than once until it becomes saturated with oil and other colloidal materials, its temperature rises and it loses its cooling effect. At that point it should be treated once again so that it will be purified before returning to the watercourses fit for reuse. In addition, the water must have a price which has been assessed and will enter into the costs of industrial consumption, so that consumption of it will be reduced to the economic limit! The volume of water consumption in industry comes to 6 billion cubic meters, 2 billion of which are used for cooling; it will be possible to reuse it until it is saturated then purify it before discharging it."

Eng 'Isam Radi said, "In the case of drinking water, the volume of annual consumption comes to 4 billion cubic meters, but the rate of drinking water loss is unimaginable. Out of every 100 meters a water facility pumps in any city, just 40 meters reach the consumer, and 60 meters go to waste through leakage in the delapidated pipes of the water systems! It is necessary to renovate the water systems in the cities and to tighten up water hookups in homes, as well as tightening up equipment, from taps to flushing mechanisms. It is also necessary that each apartment have its own meter like the electricity meters. Water meters under joint ownership do not encourage people to control and guide their consumption; the people who do not pay are not concerned!"

I asked Eng 'Isam Radi, "The drops of water are growing scarce and danger is threatening them. How can we realize self-sufficiency in water for Egypt?"

The minister replied, "By properly using what is available, as was stated in detail in all the foregoing, developing Nile water resources, in the context of cooperation with the Nile basin countries, intensifying the search for new groundwater resources in Sinai and the Western Desert, using floodwaters, using field drainage and sanitary drainage water after it has been treated, then desalinating seawater through the use of cheap solar power."

However, the Ministry of Agriculture must coordinate with the Ministry of Irrigation and restudy the crop composition in the light of limited water resources, which face the threat of becoming more limited! With its research institutes, it must adopt a program for producing crops with low water consumption or a lower growth period and other crops with an ability to endure high degrees of salinity, because the basic water resource for irrigation in coming years will be from drainage water which is reused after being treated!

Egypt is in need of a plan shared by the Ministries of Irrigation and Agriculture in order to confront the effects of probable impending drought, provided that as of now every line and every step in the plan will be carefully investigated, roles also will be distributed among agencies, and the role of the individual, whether he be a farmer, industrialist or consumer of drinking water, will be determined.

Drops of water are in danger. Praying for rain is an obligation at all times. Perhaps we will be forgiven and the heavens will send rainfall to us and the Equatorial and Ethiopian Plateaus!

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EGYPT

DECLINE IN CIRCULATION OF OPPOSITION PUBLICATIONS EXPLORED

Riyadh AL-YAMAMAH in Arabic 9 Jan 85 pp 32-35

[Article by Muhammad Barakat: "The Opposition Press in Egypt -- Giving the Call to Prayer in Malta but Not Being Heard in Cairo"]

[Text] The circulation of opposition papers in Egypt has dropped. Although none of the persons in charge of these papers will admit this fact, the ordinary reader himself, not to speak of specialists or people in charge, know that these papers' influence has become more modest than before, which of necessity means a drop in their circulation.

In Egypt the press is of two kinds at present:

The nationwide press, an official or quasi-official press represented by AL-ANIRAM, AL-JUMHURIYAH, AL-AKHBAR, AL-MASA' and the large group of weekly magazines, from AL-MUSAWWAR and ROSE AL-YUSUF on up to AL-KAWAKIB and SABAH AL-KHAYR.

The opposition press, or the party press, represented by five newspapers and a monthly magazine. These papers are:

1. AL-AHALI, which speaks for the Grouping Party.
2. AL-SHA'B, which speaks for the Labor Party.
3. AL-WAFD, which speaks for the Wafd Party.
4. AL-AHRAR, which speaks for the Liberal Party.
5. MAYU, which speaks for the ruling government party.

This is the National Party. In this sense the newspaper MAYU is a party but not opposition paper.

Then after that there is the magazine AL-MAWQIF AL-'ARABI, an independent monthly magazine which does not belong to any party and on which no body spends money. It stands in the ranks of the opposition. That is the way it

was during Anwar al-Sadat's regime, and that is the way it still is up to now. It is a magazine with a nice Arab flavor and is issued by the journalist 'Abd-al-'Azim Manaf.

The opposition press in past years played a splendid role, which reached its peak at the end of Anwar al-Sadat's era, to the extent where he could not tolerate its presence and swooped down on it in the notorious September campaign, closing it down totally, prohibiting it from appearing and imprisoning its editors in chief, or most of them.

After the famous incident of the podium and President Mubarak's assumption of the keys to power in Egypt, the political prisoners, writers and journalists came out of prison and the opposition papers proceeded to play their role as they had not played it before.

The truth is that the opposition papers in Egypt enjoy a degree of freedom the Egyptian press had not enjoyed in its history. There is no censor to give or withhold permission for their news and articles. These papers, in spite of their asperity, and indeed their excesses on some occasions, nonetheless are not at all suppressed. They find their way easily and facilely to the Egyptian reader and the Arab one as well. These papers insistently criticize the government, the ruling party and the ministers, embrace policies which the government does not adopt, and publish everything the official or quasi-official newspapers, known as the nationwide papers, do not publish.

While the Egyptian reader, for a period of 30 years, would seek news of his country and analyses of it in foreign radio broadcasts, such as the broadcasts of London, the Voice of America and Radio Monte Carlo, he now finds all the news and secrets available to him in the Egyptian opposition papers.

In this sense, these papers have played and are playing a splendid political and informational role. As one of them says, they offer the other side of the picture, or the far side of the moon. In all cases they supplement and complement the role the nationwide papers play and help give concrete form to Egyptian public opinion in a proper, healthy manner.

Since the opposition papers, when they appeared, offered the Egyptian reader a commodity for which he had long yearned, after he had been deprived of it for 30 whole years, the Egyptians were extremely receptive to these papers, with their sharp flavor, and this brought them a political and journalistic success which no one had expected would assume such depth and breadth.

What is being said here is strange, that is, that there are papers which are more powerful than the parties for which they speak and under whose aegis they have come out; it has reached the point where it is said that the opposition papers in Egypt own parties, although the opposite is correct since it is the parties which own these papers. The newspaper AL-AHALI, for instance, is more powerful than the Grouping Party in its effect on the Egyptian citizen, and the newspaper AL-AHRAR plays a role which the party for which it speaks does not play, since the newspaper seems to exist and have an effect while the party is out of the picture, or nearly so.

The opposition parties in Egypt have been active and grown strong in the context of many political and media circumstances and their circulation has increased to the point where it has reached fantastic figures.

However, these papers' voices have grown quieter in the recent period and they no longer have the brilliance they enjoyed a few years ago. More important than all this, their circulation has declined.

Some of these papers' circulation has declined by half, and the circulation of others has dropped to a third, while the drop in circulation of others has reached the point of a scandal, to the degree where they are no longer being distributed.

The most important example of this last type is the newspaper MAYU, which Anwar al-Sadat founded to speak for himself and the ruling National Party.

A few years ago MAYU began as a strong paper; its circulation rose until it reached 200,000 copies. However, it started to become mediocre after that, after al-Sadat's death, and its circulation proceeded to drop day by day to the point where its circulation now comes to less than 10,000 copies, all of which go out as government subscriptions which are imposed on departments and ministries.

It might be very strange that the members of the National Party, as the figures claim, should total 10 million citizens while its paper has a circulation of 10,000 copies. Stranger than that is that the National Party government has all the powers and all the resources but nonetheless issues the most mediocre party paper in Egypt. The biggest party has the most mediocre paper -- a discrepancy which merits study.

As for the other party papers, the opposition papers, their circulation has not dropped to such an extent, with the exception perhaps of the newspaper AL-AHRAR, which the Liberal Party issues. This paper's daily circulation once reached 200,000, and perhaps 300,000, but now is within the limits of a maximum of 50,000.

AL-AHALI and AL-SHA'B are in more enviable shape, since the circulation of the former and the latter has dropped only by half. AL-AHALI's circulation has dropped from 150,000 to just 80,000 or 100,000 copies, and correspondingly AL-SHA'B's distribution has dropped from 100,000 to 60,000 copies.

The newspaper AL-WAFD is the best of all, in terms of journalism and distribution as well, perhaps because it is issued by a party with deep roots, the Wafd Party, and perhaps because the journalistic service in it is excellent and of a high professional level. The important point in this regard is that AL-WAFD's circulation has also declined, but not to the same extent, since the distribution has fallen from 300,000 to approximately 200,000 copies.

AL-MAWQIF AL-'ARABI magazine is the only opposition publication in Egypt whose circulation has not declined; indeed, it has perhaps risen, not only because of its professional excellence, and not because it aims at value in

what it writes, but because it expresses the voice of Egypt in the Arab nation and the voice of Arabhood in Egypt.

What all this means, in figures, is that the circulation of the opposition press has declined in Egypt in the recent period, although it was expected that these papers' circulation would increase as the experiment became stabilized, experience was acquired and the extent of freedom in which it engaged in its production expanded.

Why has these papers' circulation dropped?

There are numerous reasons which can give us an explanation of this matter; these reasons can be enumerated as follows:

First, when the opposition papers came out in Egypt in the last years of Anwar al-Sadat's regime, the experiment was new, and people had longed for a press of this kind at length, having become bored with the official government press, which was subject to censorship and continued to speak the same language for at least a quarter century, from 1952 to 1977. The press of the revolution was guided and offered apologetics, and therefore Egyptian citizens sought out news of their country in the foreign broadcasting services but never found it in their own country's press. On top of that, the tone of "criticism" was totally absent from the Egyptian press. Therefore, when the opposition papers started to appear, because of their novelty and the difference in their tone they constituted something with a different new flavor to the Egyptian people and therefore people accepted them most enthusiastically. The opposition papers were a success from the first day and their circulation reached fantastic figures.

Strangely, for this same reason the circulation then dropped. Since the experiment was new, it was a success with the reader, and since it was new to the journalists, excesses and mistakes occurred which led to a drop in circulation. The novelty of the experiment was the reason for its initial success and also the reason for its subsequent decline.

Second, Anwar al-Sadat personally was a contentious, provocative personality. During his regime, especially in the second half of his presidency, he pursued policies which he compelled one forcefully to support or violently to reject. In his method of ruling, he would never go halfway with a person but rather would force him to be with him or stand against him on the opposing side. Al-Sadat's directives after the October war, the adoption of the policy of economic liberalization domestically, the headlong rush totally into America's arms, the trip to Israel and the boycott of the Arab countries all helped create a broad Egyptian opposition front against the man and his policies, domestic and foreign. In the context of such a social and political climate, it was inevitable that opposition would be lively and the opposition would be lively in its stupidity; this is exactly how it turned out. Since al-Sadat's provocation was forceful, the opposition was equally insistent and forceful both. Therefore the opposition press at that time was a smashing success because of the political and economic atmosphere which Anwar al-Sadat cultivated. When the man disappeared from the scene and this climate of provocation vanished or faded, it was necessary that the tone of

rejection and opposition calm down, and therefore the party papers' circulation of necessity declined.

Third, the political period Egypt is going through today does not involve a severe contradiction between the government and the opposition. There is no antagonism toward the government. Indeed, both the government and the opposition are meeting one another halfway. The two sides are almost in agreement over the basic outlines of policy and government. Everyone agrees that the presence of a number of parties should be Egypt's political mode, everyone agrees that Egypt should return to the Arabs and that there should be a freeze on relations with Israel, everyone agrees that balanced relations should be established with the East and the West and that one should not rush headlong into the embrace of one party and be hostile to the other party, and everyone agrees that the approach of social development should be adopted to bring Egypt out of its economic crisis. These focal points are the basic lines of the orientation of Mubarak's policy domestically and abroad and there is no dispute over them between him and the opposition.

The points at dispute can be delineated by some forms of domestic activity and some executive measures ministers involved are carrying out. These are peripheral disputes which are not at the level of severe political antagonism, as was the case with Anwar al-Sadat. Within the limits of this framework, to which the dispute is confined, and in which antagonism toward the government and the regime is confined, the opposition papers's scope for movement is consequently restricted. This is exactly what is the case now.

Fourth, some papers and magazines that are called nationwide have started to pull the rug out from under the opposition papers by opening their pages to criticism and giving opposition figures the opportunity to make their statements in those papers as well. Criticizing the regime is no longer a private preserve of the opposition papers; rather, the nationwide papers have also started to perform this function. In fact, some magazines such as AL-MUSAWWAR and ROSE AL-YUSUF invite onto their pages figures whom people would not have believed could have appeared to state what they want in open forums. Thus, readers have encountered Muhammad Hasanayn Haykal and Isma'il Fahmi on the pages of AL-MUSAWWAR and have also encountered, in a context which resembles a court trial, figures such as 'Uthman Ahmad 'Uthman and Mustafa Khalil on the pages of the nationwide newspapers. The three official nationwide newspapers criticize the government and its ministers morning and afternoon. Mustafa Amin holds an open university in his writings in which he calls for democracy and freedom of thought and expression. What all this means is that the nationwide papers have started to play the same role the opposition papers are playing, something that demonstrates extreme shrewdness on the part of the committed official papers, and that has also led to a drop in the circulation of opposition papers.

Fifth, the opposition press in Egypt is a party press. Indeed, the history of the press in Egypt shows that the papers emerged in the embrace of the parties. People in Egypt were enthusiastic about parties when they appeared, because they were kept from pursuing party political activity for a quarter century of July revolution rule, and from the very first it seemed to people that these parties had Moses' staff and had readymade programs for their

problems and magic solutions to their long sufferings. However, what happened after years of actual practice was that people became disappointed with these parties, or somewhat disappointed. The problems were not solved and the burdens of everyday suffering were not alleviated. With this feeling, people's enthusiasm for these parties started to slacken and their receptivity to their papers started to slacken further. Therefore the failure to solve problems and the failure to realize anything true, real and tangible led to the parties's loss of their luster and their papers' loss of influence and broad circulation.

Sixth, the opposition papers publish dozens of problems, issues, mistakes and criticisms every day. They also offer dozens of recommendations and programs which could help solve the problems or at least cope with them. In spite of this, the government does not respond to any of this, to the point where it appears as if it has made one ear out of clay and another out of paste so that it cannot hear anything or respond to anything. A person reading these opposition papers will read the news, the scandals and the criticisms then wait for something to happen and find no repercussions in what he is reading about, to the point where he believes that what the opposition papers writes is "newspaper talk" and that papers seem to be "giving the call to prayer in Malta." No one adopts the recommendations or rises up to deal with the problems these papers present. This negative position on the government's part toward what the party papers publish has weakened these papers and caused readers to lose confidence in what they read, because the government will do what it wants even if the opposition parties continue to write morning and evening. For 2 months the opposition papers have been writing the most violent possible things that can be said against Dr Mustafa al-Sa'id, the minister of the economy.

These papers have accused him and his wife of having a connection with currency dealers on the black market. What has happened? Nothing; neither has the minister resigned or submitted a statement in which he has declared himself and his wife innocent, nor has the government concerned itself with the matter. This example alone shows how obvious the negative attitude of the government and its failure to respond to what the opposition papers publish are; this has weakened these papers, caused the readers to lose their confidence in what they write and brought the former and the latter to a state of despair or indifference at least!

Seventh, the Egyptian is a citizen who is concerned with his personal problems. He suffers from the expenses of housing, transportation and living and is inundated up to his ears by his frustrating world, where he finds that what is demanded of him is immeasurably greater than his resources. He does not find enough to satisfy himself and therefore resorts to a thousand and one means to compensate for the deficiency that afflicts him regarding the necessities of life.

To this citizen, who is inundated by his economic, job, family and living problems, all other issues seem to him to be secondary and on the very periphery of his life. A serious political issue which some party discusses in the People's Assembly seems to this citizen a form of intellectual luxury for which there is no room in his life, and the result of this is that the

ordinary Egyptian citizen is not a political citizen -- rather, such a citizen takes a view of political activity which is colored with some ridicule when he calls the activity of politicians "party political quibbling." This is a short view, of course, because all this citizen's problems and sufferings can be ascribed to political causes in the first place, but it is simply the truth, since the people's interest in political activity in Egypt appears to take second, third or even 10th place within the priorities of their lives. In the context of this view, which is confined to internal, personal problems, political activity is weak and the parties are weak, as are their papers of necessity.

Eighth, Egypt has now, for 7 months at least, been going through a state of political torpor. The most recent major political event in Egypt was the latest People's Assembly elections, which took place last summer. These were an important campaign because they were the first party election in the last 30 years. The parties were active in these elections and consequently their papers were active. However, since the time the festival broke up and the elections ended, Egypt has not witnessed a major political event or massive national issue which could attract people's attention and draw them to opposition papers in order to read them. The opposition papers have contrived some secondary issues which might get the political situation in Egypt in movement, such as their followup of hard currency dealers, the Kafr al-Dawwar demonstrations, the tortures in the prisons, their objection to the emergency law and discussion of the issue of subsidies. These issues undoubtedly can cause a stir among people, but they are fragmentary and do not constitute massive political events which draw people and prompt them to monitor what is written in the opposition newspapers.

The absence of major political events is one of the most important reasons for the stifling of the opposition papers's voices and consequently the fall in their circulation.

Ninth, people have become bored with the repeated refrain the opposition papers are constantly voicing morning and evening concerning blatant wealth and grinding poverty, theft, racketeering and tax evasion. People have read thousands and thousands of lines about so-and-so, who owns more than 1 billion pounds in a hungry, poor country, and about Tom, Dick and Harry, who have stolen and plundered then smuggled what they seized as pillage. This was shocking at the beginning, then its effect diminished; then it became commonplace and ordinary. After the people read all these stories, they asked themselves, now what next? When they didn't find an answer to this question, their enthusiasm waned and then reached the point of frustration or despair. In the light of that situation, it was necessary that people turn away, not just from the opposition press but even from the parties themselves. The citizens in Egypt today do not read the papers the party they belong to puts out, because they have become weary of repeated refrains which do not lead to anything.

Let us cite as an example the Labor Party and its paper. The Labor Party is the second biggest opposition party in Egypt, after the Wafd. This paper, in the recent elections, according to official figures, received 700,000 votes from voters. Thus it is logical that AL-SHA'B newspaper, which speaks for

this party, should have a circulation of at least 700,000, the number of voters who voted for the party. However, AL-SHA'B newspaper, today, distributes only 70,000 copies, that is, one tenth of the number of people who gave their votes to the Labor Party. This anomaly or contradiction shows clearly the extent to which the party opposition papers in Egypt today are experiencing a real dilemma.

10th, after all this, the opposition papers in Egypt are suffering from intractable internal problems. There is a major problem facing these papers, which is financing. They do not receive aid, because the government does not advertise in them and because the bulk of the citizens still refrain from advertising in party papers which are in opposition to the government. These papers do not have their own presses or distribution systems for distributing their published works. In general, these papers' administrative organizations are weak. The journalistic or editorial organizations are not in the most enviable of condition. The number of editors on these papers is very small, and their salaries are extremely mediocre. Moreover, they are not available full time, and most of them are still receiving salaries from the nationwide papers to which they originally belonged.

This means that these papers are suffering from financial, administrative and editorial problems, and this affects their distribution.

Above and beyond these problems, there is the permanent problem, which is embodied in the party's relationship to its newspaper and the extent to which it interferes in the affairs of the paper; then there is the more serious fear, which is that the government will pounce on these papers some day and deprive them of the freedom which has been given them and in whose light they come out.

As a result of the totality of these problems, the effect of the newspapers is weakened and their distribution is reduced.

This is the situation which prompted the editors in chief of the opposition papers in Egypt to hold a meeting last week to discuss the problems these papers are suffering from.

In conclusion, this is the crisis of the opposition papers in Egypt. What can these papers be expected to have in the future?

There are two views:

The first considers that these papers' circulation will increase in the future. At the beginning it was expected that these papers would be ruthlessly eliminated, and after that it was also expected that they would diminish. After the ups and downs, the stage of stability will come, since the circulation will increase then grow without being subjected to shocks of any kind.

The other view holds that the opposition press in Egypt assumed a modest, not to say weak, form, that it was thrown crumbs and has been satisfied with them, and that it is this conviction which has brought it to such a state of

humility. Since this press at the beginning did not have the capacity to be issued in a strong form, but rather its whole concern was just to come out, it was born weak and it is this weak birth which will govern it in the future, since its circulation will decline further, as its weakness increases day after day.

Along what road will the opposition press proceed in Egypt? Toward success and stability or toward weakness and collapse?

That is the challenge the opposition press in Egypt is facing today, and to which it is incumbent that it reply, in order that it may play its influential role as it should.

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IRAQ

BRIEFS

KIRKUK PIPELINE FINANCING--Iraq and Turkey are exerting efforts to acquire financing for a new oil pipeline extending from Kirkuk oilfields in the north to a Turkish terminal on the Mediterranean coast. The costs of this pipeline are expected to amount to \$500 million. Five companies have bid for the project, which will be built parallel to the existing pipeline. Iraq is exerting efforts to finance a part of the pipeline with a total length of 588 kilometers while Turkey is doing the same to finance the other part, with a length of 225 kilometers. The new pipeline's capacity will range from 500,000-600,000 barrels per day to be added to the nearly one million barrels per day capacity of the existing pipeline. It is to be noted that Iraq has already begun building a pipeline extending to Saudi Arabia and flowing into the Saudi Petroline which carries oil to a terminal on the Red Sea. The capacity of this Iraqi pipeline amounts to nearly 500,000 barrels daily. [Text] [Paris AL-MUSTAQBAL in Arabic 2 Feb 85 pp 50-51] 8494

IRAQI-PRC AGRICULTURAL AGREEMENT--Baghdad, 18 Mar (INA)--A contract was signed here today to implement the Al-Jazirah irrigation project in northwest Iraq with a PRC construction company. Irrigation Minister 'Abd al-Wahhab Mahmud signed for the Iraqi side and (Jin An Su) signed for the company, in the presence of Rui Xingwen, PRC minister of urban and rural construction who is currently visiting Iraq. This project will irrigate an area estimated at 240,000 dounums. [Excerpt] [Baghdad INA in Arabic 1202 GMT 18 Mar 85 JN]

CSO: 4400/96

ISRAEL

POSSIBLE USE OF NUCLEAR POWER

Haifa INNOVATION in English Feb 85 pp 1, 2

[Text]

One of the best publicized results of Prime Minister Peres' recent state visit to France was the French government's offer to sell Israel two nuclear generating plants. Getting such a proposal from a friendly government undoubtedly represents a diplomatic success, although it is far from certain that its acceptance would be in Israel's interest.

Until quite recently -- well into the 1970s -- this country actively tried to buy such equipment from many different suppliers, mainly in the United States. Those negotiations made some progress; a decade earlier an agreement had been all but finalized between President Johnson and Prime Minister Eshkol, on the supply of U.S. knowhow and financing for the construction of a dual purpose atomic station, designed to generate electricity and to desalinate sea water at minimal cost.

However, all that talk soon came to nothing. The U.S. and other governments consistently vetoed the sale of nuclear equipment to Israel, because this country never acceded to international agreements for the prevention of the spread of nuclear weaponry. Israel abstained from joining those conventions, because that would bare its research facilities to inspection by agencies in which its declared enemies play an important role.

However, the government explained frequently and firmly that, although the scientific capability to develop nuclear bombs may exist here, Israel would never be the first to introduce such weapons to the Middle East. Unverified rumors notwithstanding -- many probably planted by interested hostile sources -- there is every evidence that those declarations completely correspond to reality. Even during its darkest hours of distress and danger, during the Yom Kippur War, no Israelis even hinted at a possible use of nuclear weapons.

Atomic power, of course, is a completely different subject, and many here advocate the earliest possible erection of one, two or more nuclear generating stations. When it became clear that those could not be imported, many even proposed "going it alone": the scientific and engineering knowhow available in this country suggests that all the technical aspects of such a project certainly could be mastered. However, economic considerations -- the likelihood that electricity from such a facility would be prohibitively expensive -- prevented those proposals' implementation.

Many observers now hold the opinion that those same factors will also prevent acceptance of the recent French proposal. The hopes held 35 years ago, that nuclear electricity would be exceedingly cheap, have long been proven unrealistic. Right now, the kilowatts produced by well designed coal fired facilities are likely to cost much less, than does power from atomic reactors.

To that, many Israelis add concerns of safety and security. Located in the less than rational Middle East, planners here must also take into account what acts of official or unofficial violence could do to such sensitive facilities, and the fearful price an attack on a critical reactor could exact. This being a small and densely populated country only underlines the importance of that question.

The problem of nuclear waste disposal also is probably more difficult here, than in other places. Solutions adopted elsewhere -- burial in some desert site, for instance -- are completely unacceptable. To Israelis, the arid Negev is their country's frontier -- a reserve for intensive settlement at some future date, when technology has developed the means to maintain a large human population there.

Thus there is little likelihood that present plans for the development of Israel's electric power supply will be changed. A 1,100 MW coal fired station, already under construction south of Ashkelon, will be activated before the end of this decade; an additional facility of the same type probably will cover foreseeable demand through most of the 1990s.

Beyond that point, research now in progress suggests, alternate energy resources are likely to play an increasingly important role. The 5 MW solar pond generating plant near the Dead Sea, the magneto hydrodynamic generator pioneered here (see page 2) and other new technologies now under development indicate that innovative nonpolluting resources may soon come to carry an increasingly significant part of the load.

ISRAEL

LABOR AND EMPLOYMENT UPDATE

Jerusalem THE ISRAEL ECONOMIST in English Feb 85 p 15

[Article by Lisa Rotter]

[Text]

The State Employment Service (SES) received requests for work from only 41,945 individuals in December, a monthly decline of 3.3%. Yet, those unemployed for six days or more totalled 20,785, a 7.5% increase. Requests arriving at the SES for workers were up 10.8% to 18,018. The increase in requests for workers was due mostly to the beginning of the citrus harvest season.

The December seasonal demand for workers in fruit picking, guarding, moving, etc., jobs for which wages exceeded unemployment compensation (UC), did not attract enough Israeli applicants, with the result that 4,350 positions were filled by residents of Judea, Samaria and the Gaza Strip.

The unemployment situation in the north is particularly critical. Acre officials reported a 40% increase in the number unemployed for six or more days in January. Government administrators, responding to this and the deteriorating political relations with Lebanon, have cancelled the work permits of the hundreds of workers who commuted daily from Lebanon. This news was greeted with mixed feelings in the factories, guest houses and hotels where they were employed, because these workers had held low-paying jobs generally refused by Israelis. Similarly, "guest" workers from Italy, Portugal, Spain and Greece working in the north without permits are to be expelled.

Review of 1984

The Manpower labor survey of 1984 found that in the year's last quarter there was a 12% fall in demand for personnel compared with the previous quarter and a 17.6% fall compared with the final

quarter of 1983. The largest quarter-to-quarter falls were in requests for maintenance workers (19.8%) and production workers (14.9%), and the slightest falls were in demand for technicians (4.2%).

In 1984 overall, with the average number of job placements down 27% and all sectors registering declines in demand for labor, the largest decrease was in the demand for production workers (48.4%) and the smallest decrease, 0.1%, was in the demand for academics.

In April-December 1984, over 130,000 candidates filed for UC with the National Insurance, a 50% rise over the same period in 1983. Nearly 18,000 of the applications were filed in December alone, compared with 15,560 in November. Even more ominous was the fact that the number of first-time applicants increased in the last few months.

On the legislative front, income-tax brackets were updated in January by an average of 38.4%, significantly lightening the public's tax burden. Thus, a man whose wife did not work and who earned 15500,000 in both December and January saw his net take-home pay as a percentage of the gross rise from 76.40% to 81.96%, whereas if he had earned 15900,000 in both December and January, his net pay would have risen from 54.05% to 60.90%.

However, because of the low Consumer Price Index rise in December (3.7%), workers received no cost-of-living adjustment in January. Thus, a 15900,000 salary translated into take-home pay of about \$761 in December and \$807 in January (assuming the worker was paid at the end of the month).

Income-tax revenues totalled some \$317 million in December, a real increase of 9% over November and a real decrease of 1.4% compared with December 1983.

During the period 1970-82, the percentage of workers in the financing and business services and public and community services rose, respectively, from 5.2 to 9.0 (now higher than in Switzerland) and from 29.2 to 39.1. Yet the growth in public and community service workers slowed by 21% if we compare the 1970-77 period (47.7% growth) with the 1977-83 period (37.7% growth), while the financial and business service sectors saw an acceleration of 41% in growth rates, from 17% to 24% over the same periods.

Outlook

The long-term outlook for technically trained workers is promising. At the beginning of the next decade, the demand for engineers in Israel will total some 45,000, with 20,000 employed in industry. At the beginning of the 1980s, some 27,000 engineers were employed in Israel, 10,000 of them in industry.

The supply gap is expected to total 13,000 by the year 1990, compared with 5,000 in the second half of this decade. The shortage will be particularly acute in the fields of computers, software and electronics.

A potential solution to the shortage is the more than 30,000 Israelis abroad with academic degrees, 25% of which are in science or engineering. Some 4,500 engineers are in the US alone, of whom 1,000 are known to be electrical engineers, 700 mechanical engineers and 400 civil engineers.

A survey by the dean of students at Tel Aviv University claims that chemical engineers and chemists have the brightest employment prospects. Graduates competed for 101 job openings in 1982 and 234 in 1984, and each year is expected to bring an increase of 1-10.

In the Arab sector, faced with some 5,000 youths with a middle-level to

advanced education (some of them are technically trained) and the declining profitability of their traditional farming, Arab and Druze villages hope to invest nearly \$1 billion (much of it their own funds) in about 175 industrial factories in the next few years. The difficulty is finding the right product. While it would not have to match the high-tech wonders of Jewish settlements, it must be sophisticated enough to be exported to nearby countries.

For most, 1985 will not be a prosperous year. The new tax changes were not all to the advantage of individuals, with the rate of many tax deductions at source increasing by 5%. Examples are deductions on freelance writers' income (now a standard 50%) and taxation on interest on foreign-currency PATAF accounts (50% on deposits of less than 12 months).

Yet workers are still willing to accept pay cuts to help the economy. In a survey in the first week of January, 1,772 respondents were asked which they would choose: a salary cut of 10% accompanied by job security, or firing of workers. Not surprisingly, 89% answered that they would prefer the wage cut, with only 7.5% favoring the firings.

As for what life will be like for the workers under Package Deal II, the picture is murky. Employment got very little mention in the document. Histadrut Secretary General Yisrael Kessar was able to secure an extension of the 5% tax bonus from April to July, thereby reducing the extent of the expected erosion of net wages to about 4%. He also won an important victory over the manufacturers when he refused to allow individual wage agreements to be frozen again, as they had been in Package Deal I.⁴

ISRAEL

FIRST QUARTER REPORT

Jerusalem THE ISRAEL ECONOMIST in English Feb 85 p 8

[Text]

1985 opened with definite recessionary trends, signs of slower export growth, restrained -- albeit artificially -- inflation, and increasing monetary growth, mainly due to the government's inability to reduce its expenditure. This latter development is potentially detrimental and could undermine what was achieved in the balance of payments area during 1984 and in the inflation area during the last two months of 1984.

External trade developments continued favorably until the year's end. In the latter part of the year the major contribution to narrowing the trade deficit came from reduced imports, as the government's restrictionary measures took hold. Export growth, on the other hand, slowed somewhat in the final quarter of 1984, perhaps because of the slower devaluation of the shekel against European currencies as the latter continued to weaken against the US dollar. Overall, 1984's most favorable development was the radical improvement in Israel's foreign trade situation, including a reduction of almost \$1 billion in the trade deficit.

The favorable developments in both exports and imports were mainly the result of the sharp decline in private consumption despite the increase in disposable income, in real terms, which reflects an increase in the rate of private savings following a significant decline in this rate in 1982 and 1983. The high rate of private savings can be at least partly attributed to temporary factors (the decline in real wages as inflation accelerated, and the public's capital losses on the Stock Exchange, mainly due to the bank share crisis) though it did counteract the high budget deficit's negative impact on the export surplus. Judging from past experience, this is a highly unstable situation that could

reverse the favorable export and import trends as long as the budget deficit remains at its present high level.

On January 24, a second package deal agreement was signed.

Despite the pre-determined tracks of the variables covered by the agreement, actual developments during the next few months are still uncertain. According to past experience, wage and price controls will become less and less effective with the passage of time, and economic developments will depend to a much greater extent on the basic economic forces at the company level, and less on the enforcement of rules.

The major question mark concerns the budget deficit. The government ran an all-time peak deficit in the last quarter of 1984. Although subsidies have since been cut, the impact of these cuts on the budget deficit will be only moderate for the following reasons:

- a) For most subsidized commodities, the rate of subsidization is still high.
- b) Tax revenue is still low: further tax reductions on wages have been accorded within Package Deal II.
- c) The implementation of expenditure cuts, especially with regard to the overall defense budget, is still uncertain.
- d) Reducing employment in the public sector is a long and costly process.
- e) Payments to suppliers have been postponed temporarily but will have to be renewed during the coming months.

Thus, a major reduction in the budget deficit seems unlikely in the near future. The large deficit will gradually reduce the effectiveness of wage and price controls. Package Deal II contains leeway for introducing into the market new commodities at higher prices, and for increasing wages within the framework of

existing wage agreements and through wage drift, etc.

Business conditions are unlikely to improve in the near future. Recessionary trends are still at work in industry and construction following the sharp fall in private consumption and investment from the end of 1984. Tighter foreign currency controls on foreign travel and luxury imports, while expanding domestic production in the long run, will in the short run tighten the squeeze on importers and retailers. Reduced private demand and the business community's pessimistic outlook will further reduce new labor and increase layoffs. The 1984 export increase has not yet established itself as a firm long-term trend.

Finally, balance of payments difficulties could lead to an early termination of Package Deal II. Devaluation plans have been postponed, and the government will try to reduce pressure on foreign currency reserves by tighter controls. However, the downward trend in reserves could lead, at any moment, to a renewal of speculative foreign currency purchases and a widening of the discrepancy between black market and official rates. These developments would put pressure on the government, as they have in the past, to carry out a large one-time devaluation.

Domestic demands are expected to continue declining in the first quarter of 1985 while exports of goods and services will maintain the high level achieved in 1984. Gross domestic product will be strongly affected by the fall in private consumption and investment and will itself decline, pointing clearly to the ongoing recession. This recession might be even deeper were it not for the expected continued growth of goods exports. However, a widening of unemployment will not be prevented and the unemployment rate is expected to rise to 7.5%. The 25.5% quarterly inflation forecast (some 150% annually) reflects the second package deal's restraining effect together with its elements that differ from those of the initial deal (a planned 12-13% monthly increase in controlled prices and one of 3-5% on the average in all other prices).

FORECASTS OF MAJOR ECONOMIC DEVELOPMENTS IN THE FIRST QUARTER OF 1985

	Quarterly Average in 1984	Quarterly Average in 1985
<i>National accounts (in IS million, at 1977 prices)</i>		
Private consumption	13,200	13,920
Gross investment	5,300	6,330
Exports of goods and services	14,500	14,400
Gross domestic product	27,000	28,820
<i>Unemployment (S million)</i>		
Unemployed	1,300	1,380
Employed	23,000	27,440
Unemployment rate (%)	5.2	4.9
Balance of payments (US\$ million)	25.5	52.8
Balance of trade (US\$ million)	23.5	53.5

Conclusions

Forecasts for early 1985 predict continued recession and growing unemployment but also a further improvement in reduced inflation and the balance of trade, the latter to the rate that prevailed prior to October 1985. The forecasts assume the ability to successfully continue restraining price increases. However, a price freeze continues to be but a necessary criterion, not a sufficient one. The re-allocation of resources is still required for ongoing growth of exports and a return to faster economic growth. The expected unemployment increase is the price that has to be paid for achieving this re-allocation of resources. If measures supplementary to a continued price freeze are not implemented, the result will be a return to accelerated inflation and an even higher unemployment level. In the area of foreign currency reserves, Israel's ability to begin re-allocating its resources towards the production sector appears to be critical for halting the downward trend in reserves that characterized the second half of 1984 as well as January 1985. If the necessary policy measures are not undertaken, the expected continued fall in reserves foreshadows shortages of raw materials, a situation the Israeli economy has never seriously faced in the past. It

ISRAEL

CENTER FOR SPACE STUDIES ESTABLISHED

Tel Aviv NEWSVIEW in English 19-25 Dec 84 p 24

[Article by Yitzhak Dinur]

[Text]

At the beginning of 1983, then Minister of Science and Development Yuval Ne'eman established the Israel Space Agency to coordinate space study and pioneer new ventures. His move was not publicized and it was largely ignored by the media. In part, this probably resulted from doubts as to the contribution that such a tiny country could make to space science, a field so expensive as to be generally considered off-limits to all but the superpowers.

Israel has a solid platform for space science, however. A straight line leads from its successful launching of a meteorological research rocket in 1961, via high-quality military missiles—which are a spinoff of that research—to the space agency, with its varied space, communications and industrial-economic interests. Israel's electronics industry, missile expertise and physics research provide a good basis for, and also stand to benefit from, developments at the agency.

Because of its geopolitical location, Israel needs to be independent in space science and satellite communication. Long-term national strategic planning must account for potential emergencies, such as interference with the satellite that currently transmits commercial

political and other communications. Israel also must be prepared to meet the challenge of Arab-Sat, a communications satellite owned by a 19-nation Arab consortium, as well as the Palestine Liberation Organization. To be launched in 1985, it will greatly enhance Arab intelligence-gathering ability.

Tel Aviv-born Professor Dror Sadeh heads the Israel Space Agency. Sadeh, who studied physics at the Hebrew University of Jerusalem and the Sorbonne, specialized in astrophysics in the United States and is now chairman of the department of astrophysics at Tel Aviv University. Far from regretting the agency's lack of publicity, he is gratified that it is able to carry on its work away from the public eye. The staff is tiny: five paid administrative workers with several score physicists, planetary scientists and engineers who provide their services voluntarily. As part of a collaboration agreement, the United States' NASA (National Aeronautic and Space Administration) gave the space agency information it had acquired from years of research.

The possibility of independently placing an Israeli-built satellite in orbit is still remote, so the agency hopes to

be able to utilize room on board American or European space shuttles for its own experiments. The knowledge gleaned would be shared with the home country.

For the present, the Israel Space Agency will concentrate on areas such as remote sensing, a microgravity laboratory, a space biomedical laboratory and X-ray investigations.

In light of the need for space science, Tel Aviv University and the Haifa Technion are establishing a joint Center for Space Studies with the aim of preparing a core of talented young people trained in space sciences, who will constitute the future basis for Israeli independence in this sphere. One of the center's first tasks will be to produce space, astronomy and astrophysics textbooks in Hebrew for secondary schools. The agency and space studies center will work in tandem.

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ISRAEL

NEW LIQUID COAL FUEL

Haifa INNOVATION in English Feb 85 p 7

[Text]

Haifa -- Five major manufacturers, including some of the country's largest industrial energy consumers, have begun to conduct a series of trial runs with "liquid coal". The successful conclusion of those experiments will be a big step toward the wide adoption of this cost saving fuel here.

"Liquid coal" (see *INNOVATION* 108, November 1984) is an emulsion of heavy fuel oil, water and powdered coal, treated by ultrasound waves in order to give it long term stability. Being a viscous liquid, this fuel can be stored, transported and combusted in a manner very similar to the way fuel oil is handled.

Although the inclusion of some oil in the mixture makes it somewhat more expensive than coal alone would be, it does reduce dependence on petroleum without necessitating the massive capital outlay required by total conversion to coal. There is no need to build new materials handling and storage facilities, and only minor adjustments are needed in the combustion system. Such a conversion can also be carried out with practically no interruption of the plant's orderly functioning.

Since coal is much cheaper than petroleum, the mixture also costs less than does oil. Significant savings can be realized wherever at least 3,000 tons of fuel are burned per year. That condition is met by at least forty industrial operations in all parts of this country.

Five of those firms are now engaged in trials of "liquid coal". They are the Dead Sea Works, Negev Phosphates' facility in Nahal Zin, a major lime kiln owned and operated by Even v'Sid, the Fertilizers and Chemicals plant in the Haifa Bay area, and Nesher's veteran cement production near Haifa.

All five plants are major energy users, and the adoption of the new fuel by some or all of them could reduce Israel's dependence on petroleum by a significant margin. However, the effect of the present trials is likely to be greater than that: the experiment is being watched closely by other candidates for conversion.

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10 April 1985

ISRAEL

ANALYSIS OF UNDERGROUND ECONOMY

Jerusalem THE ISRAEL ECONOMIST in English Feb 85 pp 40-41

[Article by Dr Ben-Zion Zilberfarb]

[Text]

Efforts to estimate the size of the underground economy in various countries have gathered momentum in recent years, as is evidenced by the proliferation of books and articles on the subject. In this article I will limit myself to a brief survey setting out the definition, motivation, consequences and measurement of the phenomenon, looked at from an Israeli viewpoint.

Vito Tanzi, author of *The Underground Economy in the U.S.A. and Abroad* (Lexington Books, 1982), lists four basic factors that encourage the development of an underground (or "black") economy: heavy taxes, administrative limitations, criminal activities (such as gambling and the narcotics trade), and graft. Clearly the first is the most relevant to the Israeli

economy, in which the tax burden is one of the highest in the world. Table 1 presents tax receipts in Israel as a percentage of the Gross Domestic Product (GDP): the tax burden grew from 22% in 1955 to 25% a decade later, to 40% in 1975 and to a peak of 47% in 1982-83.

This burden has had negative consequences, not only tax evasion but in other matters as well, as we shall see presently.

Israel's underground economy: how big?

Measuring the underground economy is complicated by the lack of hard data. Economists have tried indirect approaches, but their "guesstimates" should be taken with more than a grain of salt. Not only do the various methods yield different

TABLE 1: TAXES AS A PERCENTAGE OF GDP IN ISRAEL

Year	Gross Tax	of which: Direct Tax	Subsidies	Transfers (net)	Net Tax
1955	22	9	3	2	17
1960	27	9	4	4	19
1965	29	12	2	6	20
1970	33	16	4	7	22
1975	40	18	10	12	18
1976	48	23	12	13	23
1977	46	22	13	13	20
1978	43	22	8	13	23
1979	45	23	10	13	22
1980	44	24	10	13	21
1981	44	25	13	14	17
1982	47	26	10	14	23
1983	47	25	9	13	25

Source: Statistical Abstract, Central Bureau of Statistics.

estimates for the same country over the same period, but the same method will yield different estimates when the techniques or assumptions are changed a bit.

Table 2 presents estimates for various countries which were obtained by three basic methods. The table shows that the monetary approach, for example, produces estimates of the US underground economy ranging from 4% to 27% of the GDP — a factor of six. The differences between the various methods are greater still, producing estimates ranging from 1.5% to 27% of the GDP.

In Israel two approaches to estimating the scale of the underground economy have been tried: one using national accounting data, and the other using monetary data. The first measures the gap between the Gross National Product and alternative indices of the GNP, according to reported income. This method was adopted by the Ben-Shahar Commission (1975) and by Mishori Vital (1978), and yielded the results that appear in Table 3. Notice that this method produces estimates for the year 1972 that differ from one another by a factor of two (8% according to Ben-Shahar and about 4% according to Vital).

The second method, used in a later study by Unger and Zilberfarb (1982), is based on the assumption of a strong correlation between the tax rate and the demand for cash. The larger the taxman's bite out of one's salary, the greater the temptation to hide income by dealing in cash, and, consequently, the greater the general demand for cash balances.

Here, too, the results are sensitive to the choice of assumptions, even though we are discussing one basic technique of measurement. The technique was suggested by Tanzi in 1980, and when applied to Israel for the years 1953-77 it yields estimates that rise from 0.4% in 1953 to 10.9% in 1977. Unger and Zilberfarb (1982) changed one of the assumptions, and this was enough to increase the estimates by 50%.

TABLE 2: ESTIMATES OF THE UNDERGROUND ECONOMY IN VARIOUS COUNTRIES (% of GDP)

Approach	Country	Estimate
Fiscal	UK	2-7.5
Fiscal	US	1.4
Monetary	Belgium	15
Monetary	US	10
Monetary	US	4
Monetary	US	5
Monetary	US	27
National Accounts	UK	3.5
National Accounts	Sweden	3.6
National Accounts	US	4.2

Source: Kredietbank Weekly Bulletin, V, 37
No. 38, Nov. 22, 1982.

With due consideration to the limits of these estimates, one may nevertheless make two basic conclusions:

1. Over the years the underground economy has grown as a result of the increase in tax rates.

2. The underground economy is quite large, amounting to 7-15% of the GNP.

No estimates have been made for the period after 1977. The monetary method depends on relations between different indices in the money markets, and those relations changed completely after the "economic upheaval" of 1977, when it became legal for Israelis to hold foreign currency. The limited number of statistical observations and data-points on the graph from 1978-83 makes estimation very difficult, and extrapolations of the pre-1977 data are not acceptable, given the fundamental changes that have taken place since then. Nevertheless, I venture to say that, as a result of the increase in tax rates in 1982-83, the motivation to evade taxes has grown.

The underground economy as a "missing link"

Beyond the interest in measuring the underground economy for its own sake, one may wonder whether taking it into account might add to our understanding of the macro-economy as a whole. Unger and Zilberfarb suggested that the increasing scale of unreported economic activities might in fact partially explain why, despite the absence of (official) economic growth in 1976-77, the rate of unemployment was only 3.6-3.9%. In 1976, for example, official and unofficial economic activity taken as a whole is estimated to have grown by 5%, which is enough to explain the low rate of unemployment.

TABLE 3: ESTIMATES OF THE UNDERGROUND ECONOMY IN ISRAEL, 1968-74 (% of GNP)

Year	Estimate of Ben-Shahar Commission*	Estimate of Mishori Vital	Estimate of Unger and Zilberfarb	Estimate of UZ Method
1968	4.5	--	5.9	3.8
1969	4.5	--	7.4	4.9
1970	4.7	5.5	9.3	6.2
1971	6.7	7.3	8.5	5.3
1972	7.8	4.2	7.3	5.4
1973	--	2.7	8.3	5.5
1974	--	4.3	9.3	6.3

*percentage of national income

Preliminary results of research in progress show that variations in the aggregate of reported and estimated unreported economic activity tally more closely with unemployment-rate changes than do variations in reported activity alone. On the other hand, estimates of the underground economy do not seem to contribute to an explanation of the extent of private consumption.

Net vs. gross taxation

We have said that high taxes are the main cause of the underground economy in Israel. How do we bring it under control?

The best way is by attacking the root cause of tax evasion by lowering tax rates. One method is suggested by the great disparity between gross and net taxation is shown in Table 1. Net taxes are simply gross taxes minus subsidies and transfer payments (grants, soft loans, stipends, etc.). This disparity gives us a way of cutting taxes without increasing the government's budget deficit.

In parallel with a cut in taxes, the government could reduce subsidies and transfers. In the short run it would cut

the latter more deeply, to reduce the deficit; in the long run tax receipts would rise, allowing further cuts in tax rates. The reason: much unreported income would surface in the legitimate economy as soon as hiding it became relatively unprofitable (that is, not worth the risk).

Cutting taxes would also remedy two other problems: first, it would increase the incentive to work at the margin, putting in extra hours and "moonlighting"; second, it would reduce the growing gap between a worker's take-home pay and his real cost to his employer (who must often pay more in parallel taxes and benefits than he does in salary). This gap has created an incentive to transfer work and workers abroad, particularly in the critical field of high-technology industries (in which an engineer may cost his employer five times as much as he actually takes home—a far greater gap than in the US or western Europe).

The change suggested in taxation could be part of a comprehensive economic policy in which tax cuts replaced wage hikes, contributing to the competitiveness of the Israeli economy.⁴

JORDAN

MONETARY SITUATION IN 1984 ANALYZED

Amman JORDAN TIMES in English 17 Feb 85 p 4

[Article by Fahed Fanek]

[Text]

MONEY SUPPLY (M1) remained stable during 1984, ending at JD 878.4 million against JD 869.4 million a year ago — a growth of only one per cent. This is Jordan's lowest annual rate of money-supply growth on record since the establishment of the Central Bank twenty years ago.

Both components of the money-supply were stagnant in 1984: Issued currency in circulation on the one hand grew by 2.6 per cent, the lowest in twelve years; demand deposits on the other hand dropped by 1.6 per cent, an unusual phenomenon which during 20 years occurred only in 1967 and 1970.

Factors affecting money-supply were more dynamic and revealing: On the positive side, i.e. factors contributing to the increase in money-supply, we find the continued commercial banking expansion. Credit extended to the private sector reflected a net increase of JD 161 million, and to the public sector around JD 40 million (net of increase in public deposits). Other miscellaneous positive items contributed a net amount of JD 69 million, which make a total of JD 270 million.

These new funds were suppressed by two major factors:

(1) An increase of time deposits (quasi-money) to the extent of JD 133.5 million, the second largest growth in time deposits and saving accounts in 20 years;

(2) A decrease in foreign assets (net of non-resident accounts) of JD 144.5 million, which is the worst annual drop in foreign exchange net position on record.

It is evident that though money-supply remained almost the same, yet factors affecting money-supply swung to the extremes in opposite directions which may be a manifestation of the adjustments taking place in the economic and monetary behaviour at grassroots level.

Gold and foreign exchange reserves at the end of 1984 stood at JD 608.7 million, a drop of JD 76 million. This is the second time it happens in 12 years, and the largest in its scale.

According to the Central Bank monthly statistical bulletin, Jordan used its gold tranche position in the International Monetary Fund (IMF) during 1984 which is an automatic facility available to IMF members to compensate reduction of foreign exchange earnings.

Gold and foreign exchange reserves as defined by the Central Bank of Jordan do not include non-transferable foreign currencies and claims on other countries under bilateral payment arrangements (total JD 134.1 million), but the reserves are not reduced by non-resident accounts and off-shore deposits (total JD 315.6 million). The so-called non-resident accounts actually include residents' deposits in foreign currencies with Jordanian banks, which further complicates the picture and renders the arrival at the net foreign reserves difficult.

Despite the plunge in the main monetary indicators, yet commercial banks (and the Housing Bank) managed to grow at 14.6 per cent during 1984, which is a handsome growth in the circumstances.

Banks' deposits also grew at 14.6 per cent to reach JD 1.6 billion. Private deposits in local currency increased at 13 per cent and in foreign currencies at 28 per cent.

Complaints about lack of liquidity and banking system tightness are obviously unfounded. Outstanding commercial credit increased in

1984 by 15 per cent to reach JD 1185 million. Every sector in the economy managed to obtain more financing. The only exception was tourism, hotels and restaurants' sector, which decreased by 7.5 per cent to stand at JD 23.7 million, not a substantial amount any way.

The lion's share of new banking facilities extended in 1984 was in favour of mining where credit grew at 33.6 per cent, municipalities and public corporations — 30 per cent, industry — 20.2 per cent, construction — 19.4 per cent, transportation — 15.8 per cent.

For a change, the least lucky was the general commerce and trade sector which obtained seven per cent extra facilities.

In general, the monetary indicators took a plunge in 1984, yet economic activities were able to obtain reasonable financing. Banks were able to grow at a relatively high rate. The only area where caution could not be overemphasised is the external economy, especially foreign reserves. More banking expansion in extending credit is translated into larger deficit in foreign reserves.

10 April 1985

JORDAN

LARGE QUANTITIES OF GYPSUM DISCOVERED

Amman JORDAN TIMES in English 5 Mar 85 p 3

[Article by Rana Sabbagh]

[Text]

AMMAN — Exploratory research and mining in Malih area, in a district of Tafila in Southern Jordan, proved to find reserve quantities of gypsum amounting to one million tons, which could be a source of supply for the South Cement Factory for the coming ten years, sources at the Ministry of Energy and Mineral Resources announced Monday.

The sources told the Jordanian News Agency, Petra, that another reserve of gypsum, expected to yield half a million tons, was found next to the first gypsum find.

The source also said that the Natural Resources Authority (NRA), which initially surveyed the site, found that gypsum was available in huge quantities at Maliha area, south of Amman. After the first survey, the NRA conducted exploratory research in the area extending from the northern part of Wadi Al Hassa to the south of Nimta village where gypsum was discovered in large quantities.

A technical team from the NRA conducted mining tests which proved that there were sufficient reserves of gypsum to supply the South Cement Factory for the coming ten years. The Jordan Times contacted a number of NRA officials who declined to comment on the latest gypsum find.

Gypsum, a widely distributed mineral, has the chemical composition $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$ and consists of hydrous calcium sulphate. Gypsum is used especially as a soil additive and in making plaster of paris and plaster casts used in medical treatment of bone damages.

Informed sources from the Ministry of Energy and Mineral Resources said that gypsum had already been found in the south and that it was discovered to be of very high quality. The source added that the existing gypsum quarries are used by a local gypsum factory located in the Baqa'a area. This factory converts the gypsum into building material in the form of plaster slates used for building materials and decorative purposes.

CSO: 4400/100

10 April 1985

JORDAN

PORTS CORPORATION PREPARES 5-YEAR PLAN

Amman JORDAN TIMES in English 6 Mar 85 p 3

[Text]

AMMAN (J.T.) — The Ports Corporation has just completed work on its five-year plan (1986-90) which includes details about projects to be executed in Aqaba.

The plan envisages building three more wharfs for unloading goods from ships an additional wharf for loading ships with phosphates. Also included are warehouses, administrative buildings and the establishment of 500 housing units for employees and making available more yards for storing goods and the purchase of new machinery and equipment for loading and unloading operations.

The plan aims at promoting the capacity and efficiency of the port facilities, improving procedures and introducing modernisation.

The Ports Corporation spent some JD 65 million over the previous five year (1981-85) and carried out numerous projects to improve the port facilities, according to an evaluation report about the previous five-year plan. The report said that 70 per cent of

the projects included in the previous plan have been carried out and that the corporation succeeded in raising the loading and unloading capacity to eight million tonnes annually compared with 2.7 million at the beginning of 1981.

The past plan witnessed the construction of a wharf (580 metres long) for unloading huge ships and two cranes, the purchase of two towing boats and three smaller ones used for fastening ships to the port, building storage facilities and a yard with a total capacity of 200,000 tonnes, building a maintenance dock, and a wharf for potash and phosphates, according to the report.

In addition, the report said the corporation built housing units for its employees, complete with their public utilities, held training courses for the workers and dispatched employees for training abroad.

CSO: 4400/100

JORDAN

BACKGROUND ON AGRICULTURAL COOPERATIVES

Amman JORDAN TIMES in English 7-8 Mar 85 p 3

[Article by Olga Mikhael]

[Text]

AMMAN -- The Jordan Cooperative Organisation (JCO) has agreed to grant JD 376,000 worth of loans to four cooperative societies operating in Jordan. The JCO financial committee decided, after its meeting earlier this month, to grant seasonal and medium-term loans both in-kind and cash for four-multi purpose agricultural cooperative societies in Jordan.

These societies are the agricultural cooperative society in west Irbid, the Al Dukheinat agricultural cooperative society in Salt, the Sarw agricultural cooperative society in Irbid and the Jordan Egg Producing and Marketing Cooperative Society (JEMS) in Amman.

"JEMS was given JD 250,000 in loans for the purpose of paying all expenses incurred for producing and marketing eggs," Mr. Mohammad Abu Yousef, acting director of the Cooperative Department at the JCO, told the Jordan Times.

The other loans, Mr. Abu Yousef continued, were given to the other societies on the basis of their needs and requirements in order to improve their productivity and to encourage the use of machinery in different areas, especially in dry areas.

The JCO is a national organisation established in 1968 to control and observe the coo-

perative movement in the Kingdom. Despite the fact that the JCO is a national private organisation, it enjoys continuous government support for role it plays in the social and economic development of the country.

The cooperative movement in Jordan started on the East Bank of Jordan in 1952 and the first cooperative society was established at the time, the Al Ghor Cooperative Society for Saving and Lending. At that time the cooperative movement was controlled and observed by the Ministry of Social Affairs through the department for co-operative construction which was later considered the backbone for the cooperative movement.

First cooperative union

In 1959 the first centralised cooperative union for cooperative societies was legally registered and its responsibilities was to supply the farmers with materials needed for their agricultural products, to import the required agricultural materials and equipment for farmers and to market their products as well.

The cooperative movement in Jordan continued to develop as new departments were created, such as the union for external auditing and a cooperative institute that were established in 1962. In

1967, and after the Israeli occupation of the West Bank, the cooperative movement lost two thirds of its societies there.

"In order to be able to operate after the 1967 war, a new cooperative movement was developed in the West Bank," Mr. Abu Yousef said. "As a result, the Department for Cooperative Construction was liquidated and the different sections and departments that were operating before such as the auditing union and the cooperative institute, were merged together under one main body which is the Jordan Cooperative Organisation," he added.

Nowadays, the JCO has eleven operating offices and directorates in different districts of Jordan, and over 500 employees are working in the different sections and departments of the organisation. These sections are the Cooperative Bank, the Cooperative Department, the Accounting Department and the Cooperative Institute.

"The Jordan Cooperative Institute was established to train employees and members of the cooperative societies", Mr. Abu Yousef said. At present, he explained, the institute is a com-

munity college and different courses and subjects are given regularly such as economics, statistics, cooperative accounting, cooperative management, banking management and cooperative management for fisheries.

Mr. Abu Yousef said that cooperative education and publicity are also among the institute's responsibilities. Different seminars on population issues and publicity campaigns have been held at the institute during last year and more are being held regularly for farmers and different cooperative societies members.

Numbers, types of societies

The number of cooperative societies in Jordan is an approximated figure due to the principle of open membership. According to the statistical yearbook of the JCO, number of cooperative societies in Jordan are 407 societies. These societies differ in type and each has different practices such as agriculture, housing, mutual benefits, multi-purpose, saving and lending, handicraft and professional, consumer, culture and sciences and transport.

"The JCO aims to provide these societies with loans if needed against an interest rate that ranges between six to eight per cent," Mr. Abu Yousef said. Moreover, he added, the organisation sells the agricultural material needed to the farmers through their cooperative organisation in order to ensure high quality and competitive prices.

The JCO, and on behalf of the government of Jordan, supplies the farmers with barley and bran for their animals at subsidised prices. The organisation, Mr. Abu Yousef continued, established a parallel market to supply the consumer directly or through the consumer cooperative societies with moderate priced commodities such as fruits and other food stuffs.

The JCO is investing in different projects that aim to improve production, the development of consumer cooperative societies, the development of services provided by the organisation and range development.

The organisation also owns an agricultural machinery station and a seed cleaning and improvement station and is helping to provide clean and improved seeds to the farmers as well as introducing agricultural machinery to help cultivate the dry areas.

"Many cooperative projects were also planned by the JCO in order to develop forage plantation

and upgrading the productivity of grain planted land through the modern agricultural methods" Mr. Abu Yousef said.

JCO resources of finance are both external and internal and it operates now with JD 2,422,441 as paid capital. "The Jordanian government contributes every year with JD 55,000 for the organisation besides its continuous support in different fields," Mr. Adnan Yassin, head of the Project Section at the JCO told the Jordan Times. Also, members of the cooperative societies pay a share capital on yearly basis to the JCO which adds to the paid up capital.

External loans

As for the external resources, Mr. Yassin explained that the JCO receives loans from three sources: the International Fund for Agricultural Development (IFAD), the European Investment Bank (EIB) and the German Bank for Reconstruction (KFW). "The loans given to us from IFAD are worth \$10,600,000 and are due to be paid back after twenty years," Mr. Yassin said. "Part of this amount will be spent as loans, both seasonal and medium-term, to the cooperative societies, in order to improve crop production, to buy tools and equipment and to provide the food and concentrated products for livestock," he added.

Mr. Yassin continued that the loan from KFW, whose value is DM 10 million, will be also given to the farmers as medium-term agricultural loans. As for the loan from EIB, which is worth three million European Currency Units, which is equal to JD 31 million, it will be used for the organisation's purposes. This loan, Mr. Yassin explained, will be spent by the organisation to build ware houses, to build a machinery station in Irbid, to establish two stations for seed cleaning and improvement and to send the employees and the members of the organisation abroad to get specialised training courses in their fields.

JORDAN

WATER, CONSTRUCTION PROJECTS PLANNED FOR YEAR

Dubayy KHALEEJ TIMES in English 9 Jan 85 p 4

[Article by Pam Dougherty]

[Text]

Will it be hard times or boom times in 1985? January is a wonderful month for predictions, and they are so much more interesting when the experts disagree.

Two major figures in the world of Jordanian contracting have this week given totally opposite assessments of what this year holds for Jordan's contractors.

The president of the Jordanian Contractors Association believes that it will be a tough year, although he is not altogether unhappy about this. There are changes under way in the nature of the association. It is due to be changed from an association attached to the Ministry of Labour to an independent body established by law. This will give the association greater power to maintain the standards of individual contractors and will also enable it to act as a mediator between contractor and clients in case of a dispute.

The rules governing contracts are also due for a change. At present they are heavily biased in favour of the client but a new form of contract, now under consideration by the cabinet, should remedy this at least to some extent.

With these changes in mind, the contractors feel that a slow year will give them time to re-organise, and

when good times do come again, the industry as a whole would be better placed to take advantage of them.

On the other hand, the Minister of Public Works says that 1985 will see a boom year for contractors in Jordan. He says that his ministry alone has allocated JD33 million for projects, mainly road-building, and that other government departments will also be busy.

* * *

THERE will certainly be a healthy amount of work generated by the Water Authority as it pursues its goal of security and flexibility in the domestic water supply.

The president of the Water Authority, Mr Muhammad Kilani, estimates that an average of four tenders per month will be issued by the authority in the first half of the year as part of its drive to ensure that all settlements of over 500 people have a piped water supply by the end of the year and all settlements of over 2,500 have a proper sewerage network by the end of the decade.

Added to this, the Water Authority is working on plans for a national water-carrying system reaching from Mukheibeh and Hinnma in northern Jordan to Disi, which is about

80 kilometres north of Aqaba, in the south.

A study has already been carried out for the northern sector of the network and the company which prepared the study will probably continue and prepare a plan for all Jordan. A rough estimate puts the cost of the project at \$300 million to \$400 million. This is not cheap at a time when the world's financial resources are under pressure, but Mr Kilani feels it is worthwhile if it ensures that all areas of Jordan can have a reliable domestic water supply at all times.

Also on the water authority list for the year is a programme to construct a series of dams to provide water for irrigation and for the recharging of desert water supplies.

Such dams tie in well with the growing government emphasis on the development of Jordan's rural areas. The authority expects to be issuing tenders for feasibility studies for the dam project in the first quarter of 1985.

And the sweet news for Jordanian contractors in all of this is that the Water Authority is estimating that approximately 50 per cent of all its contracts will be going to local companies.

So, is it boom or bust? The betting is still open.

CSO: 4400/100

JORDAN

GROWING POULTRY INDUSTRY PROFILED

Amman JORDAN TIMES in English 2 Mar 85 p 3

[Article by Olga Mikhael]

[Text]

AMMAN — The poultry industry in Jordan is growing as it receives increasing support and attention from both the private and public sectors. As poultry is a major sector in agriculture, the Jordanian government, represented by the Ministry of Agriculture, is supporting the industry and encouraging it to become a specialised business.

The world's demand for animal protein has grown and consequently the demand in Jordan for such protein has also grown, especially for poultry meat, which is relatively cheap compared to other animal protein sources such as beef and pork.

The poultry industry is a very broad sector of agriculture, involving both egg and meat production. Poultry meat production is divided into the production of chicken broilers, roasters, turkeys, ducks and geese.

In the past, poultry farming was entirely a backyard operation with poultry often raised in small flocks in towns and villages and on farms. These small flocks used to supply eggs and meat for family use and for sale to city markets.

This industry has now become highly specialised and most of the breeding and hatching that used to be done in the past by farmers is now done by specially trained geneticists who have been able to develop strains of birds with high production potentials.

In Jordan the first commercial poultry production started in 1960 in the West Bank. Farms produced only chickens and were self-sufficient in chicken meat prior to the 1967 war. After the war, the poultry industry moved to the East Bank, but due to the difficulties caused by the war, production was very slow. It was not until the second half of 1970 that Jordan again became self-sufficient in eggs and chickens.

Consumption

Nowadays, Jordan's consumption of broiler meat is 50,000 tonnes per annum requiring the production of 50 million chicks each year. Broiler consumption per capita is 19 kilogrammes per annum while in the Gulf countries broiler consumption per capita is 32 kilogrammes per annum.

In Jordan there are 1,144 broiler farms, 21 hatcheries with a production capacity of about 84 million chicks per annum and 23 parent stock farms with a capacity of 35 million hatching eggs per annum. There are no grandparents stock farms in Jordan but a new project is being implemented and planned to start in 1985 with a production capacity of 500,000 female stock chicks per annum.

Broiler production in Jordan is concentrated in the agricultural directorates of Irbid, Mafrq, Amman and Zarqa, which acc-

count for about 60 per cent of the total broiler farm capacity. The average farm has a capacity of 8,200 birds per batch.

"Seasonal surpluses are among the many factors that negatively affect prices, while costs of production are continuously increasing," Dr. Abdul Ghami Al Nahar, advisor to the Animal Production and Health Department at the Ministry of Agriculture, told the Jordan Times.

In Jordan there is no defined policy of how to meet the domestic demands for broilers and eggs and during the last years farmers have been able to seasonally obtain the maximum prices for chicken and eggs due to seasonal surplus problems and market fluctuations.

High costs

Since Jordanian production costs are higher than the world market prices, producers in Jordan face very keen competition on the world market, especially since countries which import Jordanian poultry are becoming price conscious. Iraq, Saudi Arabia and the Gulf countries are the major importers of Jordan's poultry. "Poultry production in Jordan should cater for the domestic markets only and not be directed towards the export market in competition with the already established industry in Europe and the USA," Dr. Al Nahar said.

In Jordan the absence of a proper marketing and processing facilities has been increasingly felt by both the producers and the consumers. What is needed, Dr. Al Nahar explained, is a cooperative society for the farmers in order to organise their production and marketing process. "The only winners in broilers have been the middlemen and the wholesalers of these products," Dr. Al Nahar continued.

Under the auspices of the Jordan Cooperative Organisation, three chicken producer cooperatives and three chicken marketing cooperatives were established in Jerash, Irbid and Karak but these cooperatives have

failed to compete with the middlemen and the retailers concerning the marketing problems.

The government in Jordan and the Ministry of Agriculture, Animal Production and Health Department, is responsible for supervising the poultry industry as well as other animal production and health available in Jordan.

Licensing procedure

The department is responsible for extension services to the farmers in the field of animal husbandry, the licensing of farms, supervision of government policy, registration and licensing of foreign trade, animal health and livestock production statistics and poultry production, which is the most important branch of the animal production in Jordan.

"For any poultry producer to get a licence, the applicant must provide a site map authorised by the lands authority, an owner certificate, a city plan map from the Ministry of Municipal Affairs and finally approval from the directorate of agriculture," Dr. Al Nahar said. "This is an annual procedure, and if the applicant has already established a farm and does not get approval, the farm must be removed without any compensation," he added.

In spite of the strict licence regulations enforced by the department, it appears from the many surveys conducted by the ministry that about half of the broiler farms and more than ¼ of the layer farms in Jordan are unlicensed.

"A large number of farms were established before the introduction of the regulations. Also, the fast growth of municipalities and villages were another reason behind the unlicensed farms since they included farms that were formerly outside municipality borders", Dr. Al Nahar explained. "Non licensing is fairly high in Amman and Zarqa where locations inside municipality borders and non fulfilment of the technical requirements and locations were also main reasons for non-licensing", he added.

The Animal Production and Health Department is not only using the licensing procedure to control and direct the domestic poultry production but, moreover, to locate production where it does not cause any inconvenience to the municipality's inhabitants and where it does not occupy land which can be put to more valuable use elsewhere. From an environmental point of view, the ministry is also trying to provide environmental protection and to prevent cruelty to animals and the spreading of diseases.

Veterinary medicine is an essential part of the poultry industry, where antibiotics, and vaccines are needed to prevent the diseases like Newcastle, Gumboro, Marek's epidemic tremor, IB and ILT.

The Ministry of Supply fixes the maximum broiler prices: Farm gate price is 540 fils/kg of live weight, wholesale price is 700 fils/kg of dressed weight and consumer price is 740 fils/kg of dressed weight. The Ministry of Supply also is controlling the feed mills in Jordan and it is planning for a new feed mill with a capacity of minimum 30 tonnes per hour or about 60,000 tonnes per annum in one shift operation. The new feed mill is expected to be in operation in the year 1986.

At present there are five licensed feed mills in Jordan with a production capacity of 100,000 tonnes per annum. The feed ingredients required for poultry are corn, soya bean meal and concentrate. According to surveys conducted by the Ministry of Agriculture, the conditions at commercial feed mills are not very satisfactory since the standard of hygiene is very low and the risk of spreading *avian salmonellosis* through the feed is quite high.

Slaughter houses

The problems facing the poultry industry in Jordan are not only restricted to marketing and production but extend to include feed mills and, most important of all, slaughter houses. There are two

industrial chicken slaughter houses in Jordan, one in Amman and one in Irbid. The Amman Municipality owns the Amman slaughter house and it operates with a nominal capacity of 3,500 birds per hour.

"Nowaday this slaughter house works only with a capacity of 2,000 birds per hour due to the old equipment and the lack of maintenance of these equipment," Dr. Al Nahar said. No other slaughter house for birds is allowed in Amman and in villages and small towns, birds are stored alive and slaughtered on a small scale in the retail shops, if they are not slaughtered by the family. The Amman slaughter house does not serve the processing, marketing, production and processing logistics, since the processing operations are insufficient and the hygiene standard is so low. Research conducted by the Ministry of Agriculture on personnel working at the slaughter house found that staff are not conscious of hygiene requirements, the chilling rooms are not functioning properly, the premises are not kept clean and there is no supervision on the maintenance of the plant.

"Amman Municipality and the Ministry of Agriculture are embarking on planning for a new chicken slaughter house with a capacity of 8,000 birds per hour," Dr. Al Nahar said. Also a new chicken slaughter house with a capacity of 8,000 birds per hour is already being planned and designed in Dhulcil by the Ministry of Supply, he added.

The Ministry of Supply has 9,000 tons of cold storage capacity, 7,500 tons in Amman and 1,500 tons in Aqaba and is responsible for the imports of frozen birds — presently around 5,000 tons per annum.

Despite all the problems facing the poultry industry locally, more and more people in Jordan are getting into this business and the amount of money invested in it is JD 120 million, which hopefully will contribute to making this business a more specialised one operating according to modern techniques and technology that this industry is lacking.

Other than chickens there are around 63,000 rabbits, 145,000 pigeons, 2,800 geese, 3,000 ducks, 7,000 turkeys and 280,000 roasters being raised and bred in different farms in Jordan.

CSO: 4400/101

JORDAN

PRIZES AWARDED FOR SCIENTIFIC RESEARCH

Amman JORDAN TIMES in English 2 Mar 85 p 3

[Text]

AMMAN (Petra) — The Abdul Hamid Shouman Foundation has decided to raise to seven the number of prizes it offers to distinguished young Arab scientists, to support and activate Arab scientific research and to achieve its objectives in developing Arab scientific cadres through offering incentives.

The foundation has also decided to offer the late Abdul Hamid Shouman's prizes for the year 1984 to a number of young Arab scientists who excelled in the fields of pure sciences, humanitarian sciences, agricultural, biological, medical, clinical and engineering sciences.

In the field of pure sciences Dr. Jassem Al Rawi from Moussel University in Iraq has won the prize, while the humanitarian sciences prize was equally shared by Dr. Abdul Sattar Tawfiq Qasem

from Al Najah University in the occupied West Bank, Dr. Tareq Nafe' Al Hamdani from Baghdad University and Dr. Ghazi Ismail Rababa'a from the University of Jordan.

Dr. Ijlal Mohammad Asa'ad from Alexandria University and Dr. Abdullah Mohammad Al Moussa from the University of Jordan equally shared the prize for agricultural sciences, while the biology prize was equally shared by Dr. Abdul Wahab Ismail Issa from Munooofeyyah University in Egypt and Dr. Usama Al Hussein from Cairo University.

The clinical sciences prize, which is established for the first time, has been equally shared by Dr. Ahmad Mohammad Mansour from the American University, Dr. Mustafa Khayyati from the Algerian University and Dr. Najwa Khouri Boulus from the University of Jordan.

CSO: 4400/101

JORDAN

LARGE IRRIGATION PROJECT BEGUN IN SOUTH

Amman JORDAN TIMES in English 20 Feb 85 p 3

[Text] Karak (Petra)--The southern part of the Jordan Valley, where 90 percent of the inhabitants work in agriculture, is receiving considerable attention from the government, according to Ghor Al Safi District Director Yousef Adaileh.

He told Jordanian News Agency Petra that the Jordan Valley Authority (JVA) is currently executing a large-scale project for the irrigation of the south of the Jordan Valley which aims to develop agriculture in that area.

He said the project, which employs modern irrigation systems, will help the reclamation of land for farming.

Mr Adaileh said that JVA has allotted plots of irrigated land for farmers to establish their farms and to build their homes on.

He said that while some people in remote areas still drink water from running earth-channels, the authority has supplied some settlements with piped water and is using water tanks to transport water to villages accessible by road.

The authority has built schools for boys and girls, teachers hostels, medical clinics and a medical centre at Ghor Al Safi in addition to medical services provided by the potash and other companies operating in the area, he said.

Mr Adaileh said that social, health and education development in the region and the provision of roads, electricity and water is attributed to the establishment of the potash project, the irrigation and the development of the valley.

Municipal and village councils in the region have completed the opening and asphaltting of many roads in their areas while the municipality of Ghor Al Safi has completed the building of a commercial centre, he added.

CSO: 4400/102

10 April 1985

JORDAN

PHOSPHATE DUST IRRITATES AL-RUSAYFAH CITIZENRY

Amman JORDAN TIMES in English 19 Feb 85 p 3

[Text]

AMMAN— Jordan is the world's third largest phosphate exporter after Morocco and the United States and expects to export 5.7 million tonnes this year worth \$230 million. The phosphates are mined at Ruseifa, north east of Amman, but mainly at Hasa in the south.

Last month, a consortium of French and Jordanian firms won a \$3 million contract to study the feasibility of exploiting new phosphate mines under a plan to almost double Jordan's phosphate exports to nine million tonnes by 1980.

But phosphates, which are a blessing for Jordan which has very limited natural resources, are a source of constant danger in Ruseifa where the atmosphere has been seriously polluted by the phosphate dust and whose inhabitants continue to suffer from ill-health.

The pollution problem did not exist in the early 1930's when the rock first began to be mined, mainly because the area was sparsely populated at the time and the quantities of phosphate produced were limited.

Private contractors who started their early mining knew that it was not possible to produce great quantities because of poor equipment and due to a lack of proper means of transporting the rock. The production had to be transported to Haifa in Palestine for processing by all available means, including lorries, donkeys and camels.

It was not until 1952 that the Jordan Phosphate Mines Company (JPMC) was established and modern-style production started. Lorries are now being used to ship production to Aqaba for export by sea, but part of the phosphate is being processed in Ruseifa to produce superphosphates for use in agriculture.

Dust clouds

The JPMC introduced the open cast mines in the 1960s and production became easier and faster, but more dust began to fly up into the air and to settle on the surrounding homes which by this time had increased considerably in the area around the factory. The dust, according to Ruseifa citizens, is threatening the health of the inhabitants as it covers everything in sight and gets into the people's food and water.

Dr. Wisam Al Kharouf who lives in Ruseifa said that the environment has a deep effect on the lives of people both physiologically and psychologically. Despite the municipality's endeavours to keep the city clean, the phosphate dust covers everything and the presence of some factories pollute the air and threatens the health of people. Dr. Kharouf said.

"The presence of the phosphate factory west of the city is dangerous, since the wind normally blows from the west bringing with it dust that affects the respiratory

et, causing allergies and making a difficult to breathe. The dust causes diseases of the eyes and skin and in view of the presence of uranium in the dust, the people are also exposed to radiation. People who inhale polluted air become sick and of course their behaviour is affected. Apart from people, the dust affects the animals and the plants and also the water sources in Ruseifa," said Dr. Kharouf.

Mr. Sim'aan Qa'war said that he has lived in Ruseifa for 33 years but has recently felt an increasing danger from the phosphates dust which he said falls on the city day and night. "If you pass through the city during the night you feel as if you are going through a tunnel full of thick dust where you can hardly see anything and in the day one can see the whole city covered with the dust — the houses, farms, streets, cars, even clothes, water tanks on the roofs and people's food," Mr. Qa'war said.

Lung damage

He said: "JPMC officials realise the danger of this dust but still refuse to do anything about it. No wonder the company subjects its workers to annual medical exa-

minations, because the dust is inhaled into the body and causes damage to the lungs. I suggest a new filter be installed at the factory to absorb as much of the dust as possible and to replace the 15-year-old one, now still in use and which is of no more benefit. If the filter costs JD 15,000, the lives of people are more expensive."

A school principal, Mohammad Daoud Hamdan, said that Ruseifa is considered one of the industrial area in Jordan but in the past the city served as a "basket of vegetables and fruit for Amman." When phosphates began to be mined, the city lost its vegetables as the dust settled, endangering people's lives, he added.

Mr. Hamdan said: "Ruseifa has now become a workers city where phosphates, along with other related industries exist. No doubt Ruseifa trebled in size over the past 25 years but its vegetables are all gone and its people no more enjoy a healthy environment. Whereas in the past the fragrance of apples and apricots attracted visitors from far away, the city now is shunned by people because it is covered with dust. You can see many Ruseifa inhabitants coughing day and night and hospital

records indicate that their lungs have absorbed a considerable amount of harmful dust. To date no effective remedy has been found."

More housework

Mrs. Samia Majid, a housewife, said that the phosphates are considered a wealth for Jordan but a source of constant danger to the lives of nearly 120,000 people living in Ruseifa. The kilns that have been used at the factory are spewing out great quantities of dust so that the city looks like a sandhill of dust during the day. Mrs. Majid added. She said: "Cleaning and removing dust has become our main work at home because the dust covers practically everything — the furniture, the clothes inside the wardrobes and the beds. I am afraid masks will be needed if we want to go on living in the city."

The Ruseifa people's complaints do not end and they say that despite appeals to the municipality, their efforts went in vain, and that it is now up to the government to take a drastic measure to end their sufferings'.

JORDAN

STATISTICS GIVEN ON FOREIGN STUDENTS IN COUNTRY

Amman THE JERUSALEM STAR in English 21 Feb 85 p 10

[Text]

AMMAN (Star) — At the beginning of each academic year, five per cent of vacancies at the University of Jordan and the Yarmouk University are specially reserved for non-Jordanian undergraduates. The majority of these students who represent some 40 countries worldwide have joined Jordanian higher educational institutions through scholarship programmes provided by their own countries under the umbrella of Jordan's vast cultural and educational agreements with foreign countries.

Presently enrolled at the 12 faculties of the University of Jordan are 539 non-Jordanian undergraduates who come from 34 countries. This number makes up 5.3 per cent of the total student enrolment at the university, which is 10,300. Over 200 of these foreign students are women.

The Faculty of Economy and Administrative Sciences attracts the largest number of non-Jordanian students with 125 undergraduates — 88 of whom are men. The Faculty of Arts comes second with its 104 foreign students, the majority of whom are women.

The third is the Faculty of Science, which has 61 foreign undergraduates, half of whom are women. This is followed by the Faculty of Shari'a (Islamic Studies) with its 51 students, the Faculty of Education with 49 foreign students, the Engineering Faculty with 37, the Agriculture Faculty with 36, and the Faculty of Medicine with 32. The number drops to 15 non-Jordanian undergraduates at the Faculty of Pharmacy, two of whom are men, and 14 students at the Faculty of Law, two of whom are women. The Faculties of Nursing and Physical Education fall at the bottom of the list with six foreign female nurses and four sportsmen.

The Yarmouk University, on the other hand, has 423 non-Jordanian undergraduates enrolled at its six faculties, forming over three per cent of the total number of students, which is roughly 13,000. Male students form the majority with 267.

The Faculty of Science is the attraction for Yarmouk foreign students, as this faculty has 121 undergraduates, half whom are men. This is followed by the Faculty of Arts which has 98

foreign undergraduates, the Faculty of Economics with 91 students, and the Engineering Faculty with 66.

The Faculty of General Health and Community Medicine is teaching 20 non-Jordanian students while the Pharmacy Faculty teaches 12. Eleven foreign students are following the special programme of the university and four others are pursuing their post-graduate studies.

Elsewhere, a large number of foreigners are following a different kind of education — Arabic language courses. The majority is the foreign wives of Jordanians followed by foreigners who intend to reside in the Arab world for a long period of time. Others are youths who are either studying Middle Eastern Studies at universities in their own countries and have come to

Jordan to polish their efficiency in Arabic language.

There are a number of educational institutes in the several Jordanian cities that offer short Arabic courses to foreigners, and further institutes are expanding their services for the purpose. The University of Jordan's Language Centre attracts the highest number of foreigners as it offers three courses every year in the beginners, intermediate and higher levels of Arabic language teaching. There are 88 foreign students presently studying Classical Arabic in the centre's morning and evening courses.

The Yarmouk University's Language Centre has recently opened courses in classical and colloquial Arabic, and following its footsteps is the Consultancy Office of the Professional and Business Women's Club.

CSO: 4400/101

LARGE NUMBER STUDY ABROAD

Amman THE JERUSALEM STAR in English 21 Feb 85 pp 2-3

[Article by Ian Chandler]

[Text]

LATEST ESTIMATES by the Ministry of Education show that during the year 1983/84, over 45,000 Jordanian citizens were undertaking a higher education outside Jordan. This is a large number for a country the size of Jordan, roughly 2 per cent of its population, and significantly higher than the number of students who passed the school leaving certificate (Tawjihi) in 1982/83 (36,634 out of 59,681 entrants).

The most popular country for overseas studies is the United States with an estimated 15,000 students, followed by the Arab states with a total of about 13,000. The remainder is evenly divided between Eastern and Western Europe, with a small number in Asia and other areas.

Despite its relatively high cost, the United States has maintained its popularity with students for a number of reasons, the main one being flexibility. America has universities and colleges at all levels of academic standard with a vast unrestricted private educational sector, enabling any student to be accepted somewhere provided that he or she has the money.

The credit hour system, which is also followed by Jordanian institutions, enhances this flexibility by facilitating transfers between subjects and colleges. The only area where America loses out over nearly all other countries is in medicine. Due to its rigid medical training programmes

and the quota system there are only 200 Jordanians studying medicine in the US.

Another major factor that attracts students to America is its image. With a continuous barrage of soap-opera propaganda portraying America as the land of the free, the best, most advanced and most enjoyable country in the world, it is not surprising that students from all over the world flock to the US in large numbers — a total of 338,890 in 1983/84.

The Arab states have their own advantages, two major ones being relatively low cost, especially with regard to travel and living expenses, and being able to study in the Arabic language. For both East and West Europe, however, learning a third language (after Arabic and English) has not proved to be an obstacle for many students, with again, cost proving to be a decisive factor.

Great Britain is an exception to this generalisation, however. Despite its advantage with the English language and the close ties it has with Jordan, its relatively high costs and its inflexible system of education only attracted 911 Jordanian students to its shores in 1983/84, putting it 13th in the league of popular countries. The recent drop in the value of the pound may make Britain more attractive for study in the future.

The standard of technical training in Europe in subjects such as medi-

cine also take many students to some European countries. Compared with the 1.3 per cent of Jordanian students in America who are studying medicine, the proportion in Spain is 56 per cent and in Romania 50 per cent.

Taken overall, the prestige subjects of Medicine and Engineering are very popular despite the growing unemployment among engineers and doctors in Jordan. Business studies and the Humanities are also very popular for 'literary stream' Tawjihi holders.

But looking at the statistics alone does not explain why so many Jordanians find it necessary to leave their country to undertake a university education. There are many factors that the government should consider deeply if it wants to guide and provide for the people of Jordan in the way that will give both country and the people maximum benefit possible.

Status

Status is a significant factor — being able to send their sons (very rarely daughters) to America has great snob value for some families. This feeling is reinforced by the prejudices of employers who often attach more weight to a foreign degree compared with a Jordanian one. It can be argued that the educational benefit of living abroad for a number of years outweighs any academic considerations, but this should not become all important.

A greater danger regarding employment is the swamping of the market with graduates, requiring many of them to take lower level jobs for which a BA is totally unnecessary. Employers are happy to take them on, leading to serious implications for the job prospects of those average ability persons who would normally take these positions.

Palestinians

Palestinians have an understandable high regard for university education. Without attempting a detailed sociological analysis, it can be generalized by saying that many Pales-

tinian Jordanians, having lost all their material property because of the Israelis, find themselves completely dependent on their own abilities. Determined to make their children as self-sufficient as possible, they are willing to sacrifice all they can to provide them with the best education possible.

The provision of facilities for higher study is another area for concern. The policy of the Ministry of Education is quality not quantity, and in times of financial stringency, this makes a great deal of sense. However, it is not answering the obvious wishes of the population. Part of the government's policy was to encourage vocational training schools and community colleges to provide an intermediate level higher education designed to provide the skilled workers and technicians that Jordan badly needs.

Even this policy has not been completely successful as in practice many students use a Community College education as a springboard to admission to an American college or university, transferring their credit hours with them.

Although not widely admitted publicly the avoidance or postponement of the compulsory two years military service encourages many to take on a higher education abroad that otherwise they would not consider.

Finally, it must be admitted that the statistics of the Ministry of Education are not entirely true. If one compares the Jordan statistics of 15,000 Jordanians studying in America (see Table 1) with the official US figures of only 60,660 students from all countries of the Middle East, Jordan having significantly less than 15,000, then it can be seen that studying is merely an excuse for many 'students'.

Officially leaving Jordan with student visa's to enter the United States, many never go to their college, but instead find work (illegally), supporting themselves and sending money back to their families in Jordan — a valuable foreign currency earner for Jordan to partly offset the money spent abroad by the genuine students.

In conclusion, the desire for a university education abroad is held in such overwhelming numbers that it is an area of serious concern, affecting all sectors of the population and the country as a whole. Proposals have recently been floated that only students who gain over a certain Tawjihi score should be allowed to leave Jordan to study abroad, and also that quotas be applied to the studying of academic streams at the secondary school level, but these and other res-

trictive measures could provoke considerable resentment among the population.

Instead, the government needs to collect much more detailed information covering all aspects of this matter and then prepare a carefully thought out and co-ordinated plan that will involve all the arms of the government, and not just the Ministry of Education. Only then can the stable development of Jordan be assured.

TABLE 1 — Number of Jordanians studying abroad

Area	1983/84	1982/83
USA	15,000	15,000
Western Europe	8,471	9,531
Eastern Europe	7,991	8,439
Arab states	13,242	25,952
Other countries	1,198	1,306
Total	45,902	60,228

TABLE 2 — Top five most popular countries

	1983/84		1982/83
No. 1 USA	15,000	USA	15,000
No. 2 Soviet Union	4,500	Lebanon	9,830
No. 3 Lebanon	3,500	Egypt	8,350
No. 4 Syria	3,241	Soviet Union	4,500
No. 5 Romania	2,563	Romania	2,860

TABLE 3 — Major subjects studied abroad

	1983/84	1982/83
Engineering	14,165 (31%)	15,838 (26%)
Medicine	6,264	7,596
Business Adm.	5,723	8,520
Humanities	6,534	10,465
Other subjects	13,216	17,809
Total	45,902	60,228

TABLE 4 — Scholarships awarded up to 1982/83

Area		
USA	0	Other countries 47
Western Europe	104	Total 1,303
Eastern Europe	563	
Arab States	589	

(MN2)

JORDAN

BRIEFS

RAIL TRANSPORT OF PHOSPHATE--Amman (Petra)--Phosphates transported from Al Hasa and Wadi Al Abiad mines to Aqaba port by the Aqaba Railway Corporation (ARC) are expected to amount to 4.5 million tonnes annually, according to ARC Director General Sahel Hamzah. Mr Hamzah said that the corporation currently runs eight trains daily between the two mines and Aqaba port with the total load reaching up to 10,000 tonnes. He added that the corporation is in the process of renewing and reinforcing its railway lines and that it is planning to purchase a number of new containers for phosphates. [Text] [Amman JORDAN TIMES in English 18 Feb 85 p 3]

TRADE WITH GULF--Amman (Petra)--Jordan and Bahrain have agreed to make full studies designed to increase their bilateral trade and Bahrain is expected to import Jordanian aluminium fluoride, Minister of Industry and Trade Jawad Al Anani said here Thursday. The minister was speaking upon returning to Amman from visits to Bahrain and the United Arab Emirates where he held talks with officials on bolstering trade and economic relation with Jordan. During his stay in Manama, the minister endorsed an agreement, earlier initialled by officials from Jordan and Bahrain, on increasing the volume of trade between the two countries especially iron, fertilisers and petrochemicals. He also opened a Jordanian trade fair which was organised by the Ministry of Industry and Trade in cooperation with Alia, the Royal Jordanian Airline, the Housing Bank and the Arab Bank. While in Dubai, the minister said he met with a large number of Jordanian and Arab businessmen who expressed their desire to make investments in Jordan's trade, agricultural, industrial, tourist and transport fields. Returning with the minister were the members of the delegation accompanying him on the Gulf tour. [Text] [Amman JORDAN TIMES in English 23 Feb 85 p 3]

CSO: 4400/102

LEBANON

ISLAMIC GROUP DEMANDS FIRM STAND AGAINST U.S.

NC141519 Beirut Domestic Service in Arabic 1400 GMT 14 Mar 85

[Text] The Islamic Group [al-Tajammu' al-Islami] has condemned Israel's savage crimes and expressed its resentment at America's action in the Security Council. It demanded that the Arabs adopt a firm and decisive attitude toward the United States and praised the positions taken by our brothers and other friendly states.

The group called on Syrian President Lieutenant General Hafiz al-Asad to provide more support for Lebanon's march toward salvation and detente. The group highlighted the seriousness of the attacks directed at His Eminence Shaykh Muhammad Mahdi Shams al-Din, and at the homes of former Prime Minister Sa'ib Salam, His Eminence Ulema Muhammad Husayn Fadlallah, and the surrounding areas.

These remarks were contained in a statement issued after the Islamic Group's weekly meeting. The 3-hour session, which began at 1100 today, was held under the chairmanship of His Eminence Mufti Hasan Khalid. Former Prime Ministers Taqiyy al-Din al-Sulh and Rashid al-Sulh; Deputies Jamil Kibbi, Salih al-Khayr, Talal al-Mir'ibi, Zaki Mazbudi, Nazim al-Qadiri, and Zahir al-Khatib; former Ministers Malik Salam and Baha' al-Din al-Bisat, and Dr Husayn al-Quwatli, Director of Al-'Ifta' Affairs, were also present.

CSO: 4400/96

LEBANON

ZAHLAH NOTABLES DISCUSS SYRIAN CONNECTION

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 4-10 Feb 85 pp 18-19

[Interview With Gabriel al-Sayigh, chief of Zahlah Phalange District, and Bishop Andre Haddad, head of Zahlah Greek Catholic Parish, by Hanna Daw:
"Al-Sayigh: I Visited Damascus To Bolster Phalange-Syria Understanding;
Haddad: We Have Answered Partitionist Factions with Greater Steadfastness and Clinging to Land and to Coexistence; We Christians Have Lost Heavily in This War and Must Ponder It Deeply"]

[Text] A few years ago, a lot was said about a "relationship" between Zahlah and Israel. During the 3-month 1981 war, the subject of this "relationship" was predominant but the subsequent events proved that this "relationship" was nonexistent because Zahlah emerged from the war as it was before that war, a pure Christian Lebanese city.

Today, new talk surfaces about a "relationship" between Zahlah and the Syrians--a relationship about which a lot is being said. The historical and geographic realities have dictated that Zahlah be open to Syria and that Syria deal with Zahlah. Damascus is closer to Zahlah than is Beirut and Zahlah market has turned into an oasis for the Syrians who head for it to meet their needs. This distinguished relationship, imposed by the geographic location, has led to numerous marriage and family ties. Moreover, some owners of cafes in Zahlah have expanded to Damascus and opened branches there. The first official Phalange delegation to visit Damascus after an estrangement of 7 years was comprised of Phalange officials in Zahlah and al-Biqah'.

The first Christian contact from Zahlah with the Syrians came at the hands of the head of the Zahlah Greek Catholic Parish.

On the circumstances engulfing these relations, on the presence of a plan to evict the Christians, on the Phalange Party's relationship with al-Biqah' inhabitants and on the relationship between the people of Zahlah and the legitimate government, AL-NAHAR AL-'ARABI WA AL-DUWALI has conducted this interview with Gabriel al-Sayigh, the head of the Zahlah Phalange District, and with Bishop Andre Haddad, the head of the Zahlah Greek Catholic Parish, who have played and continue to play the main role in restoring warmth to this relationship.

The office of Gabriel al-Sayigh is like a beehive, never quiet and never empty of people. Despite his constant preoccupation with the city's political, security and living affairs, the head of the Zahlah Phalange District devoted to us 2 hours during which he answered our questions. During the interview, al-Sayigh had to apologize repeatedly to see to urgent matters which developed and required his immediate intervention.

[Question] How do you evaluate the conditions of the city of Zahlah from a partisan perspective?

[Al-Sayigh] The Phalanges' constant struggle throughout 45 years has attracted many youths to work under the party's slogan to serve the causes that concern the city. Here, I am eager to stress that the Phalangists in Zahlah are not at all an alien body. They are Zahlah natives who feel with, contribute to and work for their city.

[Question] How would you describe the cultural interaction between Zahlah and its neighborhood?

[Al-Sayigh] Today as in the past, Zahlah is the capital of al-Biqa' by virtue of its containing the official agencies and the basic economic facilities. Throughout history, this has enabled the city to be in constant interaction, contact and integration with the people of al-Biqa' to serve Lebanese interests. Zahlah's relationship with the other parts of Lebanon is not different from its relationship with al-Biqa'.

[Question] What about the Phalange Party's relationship with the neighborhood?

[Al-Sayigh] The Phalange Party has put itself at the disposal of the people of Zahlah and al-Biqa' and has offered them various services. As it devotes attention to Zahlah's affairs, the Phalange Party also concerns itself with al-Biqa' needs. The party has revived the various services, including telephone, health (Zahlah, Ba'labakk and al-Biqa' hospitals), fuel and flour.

By the way, we renew our invitation to all al-Biqa' notables and extend to them our hand in cooperation for the sake of the public interest which unites us throughout Lebanon. As a party, our starting point is the 10,542 square kilometers [entire area of Lebanon]. This is not a slogan for bargaining but the outcome of a firm conviction that it is impossible to partition Lebanon. The party's principles consider Lebanon a cohesive unit. This is what has made us since 1975 the first line defending this unity in particular and it is for this unity that we have lost thousands of martyrs.

[Question] How do you interpret your relationship with the legitimate government in Zahlah?

[Al-Sayigh] We support the legitimate government with all our might because it is ultimately the side most capable of managing the various affairs. The legitimate government is now represented by its administrative and military apparatus in the city. By the way, the city is in need of many various things, including roads, telephones, water, electricity and housing and reconstruction

aid. The crisis we are suffering from is the crisis of the municipality which, regrettably, is not doing what is required of it. We work ceaselessly with Zahlah notables to urge them to perform these duties.

[Question] How is this support for the legitimate government translated practically?

[Al-Sayigh] It is translated first, by giving the full role to the internal security forces which, though small in number at present, perform their duties of controlling effectively the security conditions, all matters pertaining to traffic and other duties.

It is translated, second, by giving all the state institutions and agencies their role. But there are issues on which the officials must make up their mind. The departments directly concerned with the citizen's affairs are not, regrettably, performing their duties as they should, especially the departments concerned with fighting cheating, damaged goods, price control and sanitation control, keeping in mind that we offer these departments full support.

Despite our repeated requests, al-Mu'allaqah government hospital is still unable to perform the role required of it.

[Question] How would you define Zahlah's political position at present?

[Al-Sayigh] We have worked and we continue to work with the Phalange to keep Zahlah united politically. Zahlah's strength is in its unity, and this has been proven throughout history. Our persistent efforts are for the sake of preserving this unity among all the notables and parties existing in the city.

Here, I must point out that we hope that insofar as the security plans drawn up for the various parts of Lebanon are concerned, Zahlah will have a security plan that will facilitate the citizens' movement and will eliminate the imposed psychological and material obstacles.

[Question] For the first time in a long period, a Phalangist delegation visited Damascus. Considering that you were a member of the delegation, what were the visit's objectives?

[Al-Sayigh] It is true that there has been no official meeting between the Phalange Party and the Syrian leadership for a long time. But by virtue of our presence in Zahlah as Phalangists and as a result of the Syrian presence in al-Biq'a', there had to be contacts, which were crowned with an invitation addressed to us to visit Damascus. Those who made the visit are the officials in charge of al-Biq'a' districts.

The objective of the visit was to bolster the contacts and the understanding between the Phalange and the Syrian regime and, consequently, to improve the relationship between Zahlah and the Syrians.

[Question] In what kind of climate did the visit take place?

[Al-Sayigh] We met with prominent Syrian officials in a friendly and fraternal climate. During the meetings, the discussion focused mainly on the issues pertaining to Zahlah's conditions and on the situation in Lebanon. This positive climate is nothing new to al-Asad's Syria and this climate is reflected currently in the cooperation to shut the Lebanese security file, to restore prosperity and to entrench security in Zahlah and al-Biq'a'. This is something for which the Syrian officials present in al-Biq'a' exert ceaseless serious efforts.

Bishop Haddad Speaks

Bishop Andre Haddad, the head of Zahlah, al-Furzul and al-Biq'a' Greek Catholic Parish, received us in the evening immediately upon his return from the capital, where he had met with numerous notables, urging them to devote greater attention to al-Biq'a' security, social and economic conditions. Those the bishop met with included Dr George Tu'mah, the president of the Lebanese University; Nabih Birri, the minister of labor; Salim al-Huss, the minister of education; Joseph Skaf, the minister of interior; Abbot Bulus Nu'man, the head of the Lebanese Order; Col Simon Qassis, the chief of intelligence; Husayn al-Husayni, the Chamber of Deputies speaker; and Monsignor Luciano Angeloni, the papal envoy to Lebanon.

[Question] It is noticed that the bishops' role in Zahlah is bigger and stronger than in any other part of Lebanon. Why?

[Bishop] First, the bishop has historically had a role in the life of the church and of peoples. He is usually called the "city guardian under difficult and dangerous conditions." The bishop is the people's shepherd and a shepherd, according to the Holy Bible, sacrifices himself to save the sheep. This role figured prominently in 1981 when the Zahlah events flared up at a time when most of its officials happened to be absent from the city. A voice had to rise high and the hearts rallied behind the bishops, who worked with ideal unity. Their main center was the home of the Lady of Salvation because of its deep-rooted history in the city. The bishops moved in all directions to rescue Zahlah.

Second, the bishops' role is devoid of all selfish interest. If any other person wanted to move and act, they would immediately accuse him of working for a deputy's seat whereas a bishop can be no more than a bishop for his city. This is why his movement is justified as being in the people's interest.

Third, the city went through a period when most of its officials were absent from it and when eyes turned automatically to the bishops. What strengthened the bishops' role was their unity on all the major decisions. This is something that you rarely find outside Zahlah. But we cannot say that the bishops' role is the most influential. The bishops have no militias and no weapons to dictate their decisions. They only possess the moral power. Zahlah's strength lies in its unity with its bishops and its spiritual, civilian and military leaders.

[Question] What is the bishops' role in the present situation?

[Bishop] The bishops' role in the present situation is made obvious by the cooperation in the Higher Zahlah Committee which meets regularly at Lady of Salvation to study the public issues concerning the city and provides the necessary instructions.

At present, a bishop in Lebanon is the people's conscience and voice and the bearer of the people's concerns. Even though the shelling has stopped, our districts are not free of the consequences and residues of the fighting and of individual cases of looting, assault and even killing at times. The bishops' role is to guard the parishioners vigilantly from the ravenous wolves that are devastating the youth's morals, corrupting society or working to implement a certain sectarian plot. The bishops' weapon is a moral weapon consisting of the word voiced courageously in churches and meetings, in constant contacts with all the leaderships on the ground, including Lebanese and Syrians, leftist and rightist parties. The bishops' slogan in this phase is the slogan of reviving the state's various departments so that they may perform their duty in serving the citizen because nobody can replace the state.

[Question] What have you done to put an end to the maladies sweeping our youth (drugs, gambling and so forth)?

[Bishop] You ask the bishops to do everything when the bishops have no executive agency and no enforcement agency. Their weapon is the "word" they voice personally or through the priests and the monks. A number of meetings and seminars have been held at this level and working guidelines have been drawn up. But maladies such as the ones you have mentioned cannot be curtailed by enlightenment alone. It is necessary to have preventive action that stops the importation, sale or use of drugs, that shuts down gambling clubs and that censors films. This action is required of the state's executive apparatus. Our task is to prepare for this action by creating a conducive and encouraging popular climate. A part of this work has been carried out by the anti-drug campaign launched by the security forces nearly 2 months ago. We hope that this campaign will be repeated, even though we have found a letter under the bishopric gate threatening us with death because of our constant effort against this malady which kills the man in our Zahlah citizens.

[Question] How do you cooperate with the Christian flock outside Zahlah and scattered in all parts of al-Biqa'?

[Bishop] We believe that Christianity in the villages and in the remote parts of al-Biqa' needs us more than Christianity in Zahlah. This presence is a great wealth for the church. This is why we have been eager to safeguard it and to keep every Christian in his home and on his land, offering the sacrifice of life expected of him toward his non-Christian brothers. On this basis, I personally visit our flock in the villages frequently, respond to every invitation sent to me on any occasion, deliver words urging steadfastness and courageous action and deal with the Christians' problems gladly. They feel that they are strong with the open-hearted shepherd who tends their concerns and carries their issues. In fact, we feel that our sons in the villages are

living nowadays with great reassurance, turning their attention to their businesses and experiencing no complex from coexistence with their other brothers.

[Question] Your openness to the Syrian leadership has raised more than one question. What are the circumstances of this openness and what are its objectives?

[Bishop] By nature and upbringing, I am an open-minded person. I respect all people and respect their religious and political beliefs and I agree to dialogue with all while clinging to my religious faith and my Lebanese belief. I believe that every man is partly right and that no man can claim to be completely right. It is within this framework of thinking that I tackle all issues and all problems. I lived in this climate when I was in the Savior's Abbey and in constant contact with all the parties and organizations in that area. As for the relationship with the Syrian brothers, I find it a foregone conclusion that there has to be an excellent relationship between the Lebanese and the Syrians throughout history and under all circumstances. Such a relationship serves the interest of both countries. Lebanon and Syria have adjacent borders, numerous and strong family relations and joint commercial interests, not to mention the common national ties. I find it wise for every official to underline this relationship and to bolster it in peace and in war on the basis of mutual respect and understanding and within the bounds of safeguarding national dignity and sovereignty. When I assumed the duties of the bishopric, I found myself face to face with an environment where the Syrian presence is heavy, strong and influential. The circumstances so wished that the Syrian command [in Zahlah] be headed by Col Ghazi Kan'an, a humane officer with a big heart and a clean hand. A strong relationship developed between us on the basis of an intellectual understanding emanating from the reality of life and from mutual frankness and respect. A deep personal friendship developed between us and this friendship has been placed at the service of our sons in Zahlah and al-Biq'a' to create an atmosphere of peace, security, economic prosperity and free movement.

[Question] Has this open-mindedness emanated from personal conviction or from coordination with somebody else?

[Bishop] We were the forerunners in pursuing this line and we were subjected to extensive criticism, censure and accusations from several circles. We then found that all followed or began to follow this course and this option. Naturally, we have transformed the personal relationship into a political and living line emanating from our examination of the course of affairs and of the tragedies throughout 10 years of war. It has become evident to us that a minority, such as the Christians, cannot stray from the climate of the majority with which it lives. Instead of living with the complex of the minority, let this minority proceed to invade the majority intellectually and invade its leadership spiritually. This is the role that the Christians in the Arab world are supposed to play, especially since they have been on this land before all others.

[Question] What are your aspirations insofar as Zahlah is concerned?

[Bishop] Our aspirations for Zahlah are great. We want to truly turn it into the capital and bride of al-Biqa'. The regrettable reality is that Zahlah is presently very far from what we wish for it. Most of its institutions are eroded and do not perform their duty of turning this city into a modern city. Zahlah lacks the simplest amenities beyond which even small [modern] villages have gone. The first thing Zahlah needs is a young, energetic and ambitious municipal outfit whose main concern is to develop this beautiful city. We have launched our well-known slogan "there is no solution without dissolution," meaning that there can be no solution for Zahlah's problems without dissolving the current municipal council because the municipality is the most influential agency on the ground.

[Question] To conclude, are you optimistic?

[Bishop] By nature, I am always optimistic on life, on friendship and friends and on plans. But if the optimism concerns the country's fate, I can express no opinion because ambiguity engulfs our fate as Lebanese and our future as a free people. Insofar as the Christians are concerned, I will say that we have lost heavily in this prolonged war. We must ponder this war deeply and must derive from our contemplation our line of future action.

8494

CSO: 4404/239

LEBANON

CENTRAL BANK PROPOSES EIGHT-POINT AUSTERITY PROGRAM

Beirut AL-IQTISAD WAL-A'MAL in Arabic Feb 85 p 39

[Article: "The Austerity Program Proposed by the Bank of Lebanon"]

[Text] An effort to impose austerity has become necessary on the government and individual levels, especially now that it has become clearly apparent that the balance of payment deficit in 1983 was not transitory. On the government level, it is necessary:

A. That efforts be directed toward controlling expenditures in the desire gradually to reduce the deficit until it is eliminated. This is an extremely difficult task, as long as the public sector budgets are not combined and the method of using treasury loans is not changed so that the budget may return to its initial role and actual restrictions on public spending may thereby be set out.

B. That priorities be set out regarding spending so that what can be eliminated will not be spent. Here it is necessary to assert the need to limit all current expenditures, including salaries, especially since the salaries paid out are not on many occasions matched by any productive effort worth mentioning. On the other hand, it is necessary to suspend all foreign currency expenditures except for those dictated by the basic living requirements of the Lebanese.

C. That a review be made of domestic pricing of imports made through the public sector, in particular oil and to a secondary degree wheat. Oil accounts for about 80 percent of the government's expenditures in foreign currency, and it is well known that official reserves today are adequate to meet Lebanese requirements for oil for only 7 months.

D. That this pricing policy should be supported by efforts in the media context. The Lebanese must be aware of the risk of continuing to consume at unrealistic prices and must realize that the subsidization of their consumption is taking place at the expense of the health of their currency, their economy and their standard of living over the long range.

E. That the government should strive to devise new tax resources and not link its resources to the vagaries of customs revenues. Shutting down

illegal ports is essential but the failure of that, in the event it happens, cannot lead to a drying up of imports.

F. That a plan be set forth to obtain foreign aid, while bearing in mind that it is not necessary that this aid be just financial. Lebanon must determine its requirements for consumer imports, including oil and wheat, and basic technical imports, and try to respond to them at no cost [or] at low prices. Its limited income is giving it the right to obtain them, and the decline in this income has been continuing for years.

G. Discussions must take place as soon as possible in the desire to review the conditions for repaying the remaining instalments the government owes as a result of some of its purchases from abroad, especially in 1983.

H. New foreign currency resources must be created, including, for example, the issuance of bonds in Lebanese pounds to expatriates and the conduct of talks to facilitate the sale of these bonds in countries where there are expatriates or elsewhere.

11887

CSO: 4404/238

LEBANON

PROBLEMS WITH DOMESTIC LIQUIDITY, INFLATION REVIEWED

Beirut AL-IQTISAD WAL-A'MAL in Arabic Feb 85 pp 36-39

[Article: "A Reading of an Extraordinary Report on Extraordinary Circumstances: The Bank of Lebanon Is 'Keeping the Rails' and Calling Things by Their Proper Names"]

[Text] In a precedent which has been the first of its kind, the Lebanese Central Bank in early 1985 published a report on the economic and financial situation which included an obvious criticism of the political authorities. It was distinguished by the following points:

1. It emerged as a frank, bold report which called things by their proper names and offered the greatest possible amount of data and statistics useful for understanding the true nature and dimensions of the crisis. It is as if the bank thereby wished to reveal the facts to public opinion in dealing with policies of hesitation and incompetence and also to reply to the position of the official media, which the report accused of falling short by pursuing "a position of unrealistic optimism regarding general economic conditions."
2. The frankness, and at times harshness, of the report appeared as a cry for help and warning uttered out in the open and apparently came as a result of long suffering on the one hand and a feeling that time was passing rapidly and matters had reached a point of no return, or will almost reach it unless a radical, comprehensive transformation is carried out with regard to events and the method of rendering judgment about them.
3. The report, in laying out the facts and theorizing about their analysis, wished to offer an indirect defense of the Bank of Lebanon by asserting that methods of fiscal intervention had their limits and that the crisis basically was one of confidence and political in essence, and also by underlining the negative effect of the government's continued spending without any serious attempt to remedy the problem of the budget deficit and the accumulation of the public debt, and the effect of all that on foreign currency reserves and the exchange rate of the pound.

Here are selected "readings" from this important, lucid report whose goal is to set out the general features of the crisis and its dimensions, as the Lebanese Central Bank views it.

An Essentially Political Crisis

Restoring the economy to the condition it enjoyed before 1975 is a matter which is becoming more difficult with every day. Reality requires rapid, firm, comprehensive action and will not allow any neglect of economic issues. While the domestic economy has succeeded in transcending the 1984 ordeal, it is very difficult to find satisfactory solutions to the economic and financial difficulties to which the country will be exposed in 1985 unless its general conditions improve radically. In addition to this one should bear in mind that the success of the economic solutions will unfortunately to a large extent remain contingent on the political solutions.

It is to be assumed impossible that any success worth mentioning can be recorded in the context of economic growth unless strong, full confidence is restored to the economy and the future of Lebanon. Reviving this confidence is not an easy matter, but it is possible, by adopting some measures or avoiding others, to put a limit at least to the decline in this confidence.

It is necessary to perceive the extent of the relationship between general conditions and the economic situation and to try to create the political solutions which will have the effect of neutralizing the domestic economy.

We Will Not Tolerate a New "First Phoenician"

One bank in the early part of this year faced a severe crisis which compelled the Bank of Lebanon to intervene rapidly to prevent this bank from suspending payments. At that time, the Lebanese banking system was able to avoid a crisis which almost struck a fatal blow at its reputation abroad, and it would have been in the scope of that crisis to include a large number of local banks, in view of their intense interconnection in the financial market. However, success in curbing this crisis does not mean that the banking system will not be subject to similar crises, due to the effects of general conditions and the deterioration in the quality of the human system within it, as a result of a number of elements, of which perhaps the most important is the emigration of personnel.

However, "There are obvious limits to the Bank of Lebanon's intervention to help banks whose problems are developing to the point where first aid similar to what this bank requires is needed."

The Banks' Difficult Situation

In spite of the pursuit by a large number of banks of conservative policies regarding the quality of their loans, the quality of the loans granted by banks to the private sector is declining as the condition of the commercial and industrial organizations deteriorates under the influence of the economic retrenchment and the elimination of investors' confidence. Consequently, the banks are facing problems or difficulties which are the result of general direct conditions and are not to be attributed basically to their poor management. Most of the banks in Lebanon are suffering today, although in differing degrees, from problems of this kind. In addition to that, the narrowing of investment areas is compelling a large number of banks to follow

unsound policies, indeed to carry out perverse, unacceptable operations in attempts on their part to meet the drop in their rate of profitability head on. These operations are extremely dangerous and difficult to control, especially if they extend to a greater and greater number of banks. Surveillance of banks, no matter how strong it is, cannot in actuality prevent all operations of this sort from taking place.

The Budget Deficit and Accumulation of Public Debt

The budget deficit came to the equivalent of 10 billion pounds in 1984. This deficit totalled about 7 billion in 1982 and 8 billion in 1983. Most of the financing of the deficit was done by government borrowing from the Bank of Lebanon. The value of the increase in this borrowing came to about 6 billion during the year. This deficit is very high, by all standards. Today it comes to more than a third of the national product, an estimated rate which is considered among the highest in the world.

At the end of the year the domestic public debt, that is, the deficit which has accumulated over the years, which may basically be attributed to borrowing from the Bank of Lebanon and the banking system, came to more than 30.4 billion pounds, whereas it had totalled 21 billion at the end of 1983, 14 billion at the end of 1982 and 4.4 billion at the end of 1980. The rapid rate of increase in domestic public debt led to a rise in its ratio to domestic income to more than 100 percent.

The Dangers of the Increase in Public Spending and Government Responsibility

The least that can be said about the state of public finance today is that it is extremely bad. It inspires anxiety in view of its dangerous economic ramifications, some of which could be summarized as follows: One, the rise in the ratio of public spending to income or national spending is to be interpreted as a radical change in the structure of the Lebanese economy and reflects the shrinkage in the size of the public sector and the elimination of individual initiative. It consequently is an index of the decline in the traditional flexibility of the Lebanese economic system and the difficulty of restimulating economic activity not just in the current difficult circumstances but also, though at lower rates, with the end of the Lebanese crisis when the redevelopment process is embarked upon. Two, financing of the deficit requires recourse to the banking system, which will lead to an increase in the volume of lending to banks though it will not of necessity be accompanied by an increase in the productivity of the domestic economy, since most public sector expenditures are current and nonproductive. In addition to that, this additional lending will be a cause for stimulation of the rapid growth of the money supply. This will all contribute to inflation and ultimately be reflected as a deterioration in the actual value of the national currency and a decline in the real standard of living. Three, on the other hand, the growth of the deficit will indirectly affect the lending policies of banks. While the banks see that there is easy, sound investment with acceptable returns in the subscription of treasury bonds, they are tightening up their position on lending to the private sector, sometimes refusing to lend to the owners of feasible, productive projects, and this will help limit the growth of the economy. Four, treasury borrowing from the

Bank of Lebanon is considered more serious than the treasury's recourse to commercial banks, since such lending will lead directly to an increase in the liquidity available in the banking system, that is, the monetary base, and therefore to an increase in the money supply with the negative results these developments will have on the value of money.

The Need To Limit Government Expenditures

The bad state of public finance, in the event adequate revenues for the treasury do not exist, can be controlled only by restricting expenditures, especially those which are in foreign currencies, in a manner where the deficit is eliminated. This of course requires a policy of austerity and political determination to resolve the situation. However, the application of an austerity decree might fail unless the budgets of the public sector are consolidated and all techniques which have the effect of making actual expenditures exceed the stipulated expenditures are abrogated.

The monetary authorities' success in their tasks is contingent on the response of the government, in particular, to the continued exertion of strict authority, which requires further coordination between the monetary authorities and the financial and economic authorities in general.

The Deterioration in the Balance of Payments

The Lebanese balance of payments, which consists of two segments, the balance of trade and the movement of capital, was in constant surplus up to 1982. However, this surplus turned into a deficit which came to \$930 million in 1983 and more than \$1.4 billion this year. The 1983 deficit was attributable primarily to the aggravation of the condition of the balance of trade because of an intensive increase in public sector imports and secondarily to the departure of some capital as a result of the decline in confidence, in addition to the drop in the flow of remittances to Lebanon. In 1984, the deterioration in the state of the balance of payments continued with the decline in public sector demand for foreign currencies, through the departure of some capital at a time when the entry of these currencies declined and the trade balance remained in its traditional deficit.

Repercussions on Currency Reserves and the Exchange Rate of the Pound

The weakness in the state of the balance of payments has a direct effect, namely the drop in the volume of Lebanon's financial assets of hard currency present in the Bank of Lebanon and commercial banks. It is well known that most of this drop occurred in the assets of the Bank of Lebanon, which was compelled to respond to the public sector's requirements for foreign currencies, which came to about \$64 million a month on the average. The second basic result of the weakness in the balance of payments was the inevitable decline in the price of the pound in the currency market because of the decline in demand for it and the increase in demand for other currencies. The exchange rate of the pound relative to the dollar dropped from 3.81 Lebanese pounds at the end of 1982 to 5.49 Lebanese pounds at the end of 1983 and 9.89 Lebanese pounds at the end of 1984, that is, [dropped] by 44.09 percent in 1983 and 61.93 percent in 1984.

The public sector cannot continue to make expenditures in these currencies without expenditures which result in the total depletion of official foreign assets and the weakening of the pound. The public sector's expenditures in foreign currencies came to the equivalent of \$1.33 billion in 1983 and about \$700 million in 1984.

Intervention in the Currency Market Has Drained off Foreign Reserves

In a free economic system founded on proper economic principles, such as the Lebanese system, the monetary authorities can only let the exchange rate of currency float so that it reaches the market price, where supply equals demand. However, the monetary authorities have long intervened in the currency market to put a limit to severe fluctuations, buying currencies in the event of their rapid decline and selling in the event of their rapid rise, without, however, keeping the price from heading toward the level which the conditions of supply and demand call for.

Beginning in the month of May, it was difficult for the Bank of Lebanon to buy currencies since most of its acts of intervention were in the direction of sales. These acts of intervention between May and October did not prevent the pound from declining from 5.89 Lebanese pounds to 7.60 Lebanese pounds, although the total acts of intervention in this period came to about \$520 million, including about \$200 million in the month of October alone.

On the other hand, the monetary authorities have no choice but to try to keep the foreign currency in their possession, and indeed to try to raise the level of these assets. This is a difficult matter unless the public sector's requirements for hard currency in the exchange market are answered. In addition, the elimination of Lebanon's official hard currency assets in the course of a few months will, in any event, be inevitable, if the reserves are used to respond to the needs of the public sector.

Restricting the Movement of Capital Will Lead to the Collapse of the Economy

Setting out restrictions on the movement of capital cannot constitute a solution to the problem of the balance of payments, since they could do away for once and for all with confidence in the economy of Lebanon, capital would flee, not to return, remittances would be eliminated for good and the domestic economy and the banking system would collapse.

The government must adopt a unified openly declared position regarding its aspirations toward the economic system, asserting the preservation of the economic freedom which enabled Lebanon to flourish, then persevere economically under extremely difficult circumstances.

It Is Not Possible To Place Blame on the Bank of Lebanon

In the face of the deteriorating economic and financial situation, the effectiveness of the weapons available to the monetary authorities is reduced, especially since the causes of the economic crisis today are psychological and it is difficult to eliminate them unless the expectations of economic clients improve. Inflation and the weakness of the national currency are

ultimately the result of deterioration in economic activity; how can monetary policy eliminate the anxiety of producers, consumers and investors? However, it is in the power of the monetary authorities, by virtue of their surveillance of the activity of banks, partially to limit the rate of growth of the money supply, on condition that the government contribute to this effort by restricting its expenses and financial deficit.

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10 April 1985

LEBANON

BRIEFS

BEIRUT PORT ACTIVITY--A total of 1,248 ships, nearly 40 percent the total number in 1974, entered the port of Beirut in 1984, unloading 2,137,738 tons and 119,406 head of livestock and loading 156,878 tons and 6,333 head of livestock. The volume of goods in the free zone amounted to 278 tons and of transit goods 78,944 tons. These volumes can be hardly compared with 1974 activity. A total of 1,130 passengers passed through Beirut Port, including 605 arrivals and 525 departures. Last year, the port experienced total closure throughout a period of 4 months and suffered from fierce competition from the illegal ports throughout the 12 months of the year. [Text] [Paris AL-MUSTAQBAL in Arabic 2 Feb 85 p 50] 8494

BANKS' FINANCING OF DEFICIT--The value of the treasury notes in circulation by the end of 1984 amounted to nearly 19,131,000,000 Lebanese pounds, compared to 15,856,000,000 Lebanese pounds at the end of 1983, i.e. an increase of 3,275,000,000 Lebanese pounds or 20.7 percent over 1983. This means that last year the state borrowed from the banks additional sums to finance the accumulated deficit, which amounted to 30 billion Lebanese pounds at the end of the year. The circles concerned believe that the ability of the banking apparatus to continue to finance the state deficit seemed satisfactory in a year characterized by major monetary troubles and by unsettling political and security problems which intensified the pressure on the Lebanese pound. It is true that the banks collect a high interest for these notes (nearly 18 percent annually) and it is true that treasury notes are the only outlet for bank loans, but this does not negate the banks' role in financing a certain degree of the state deficit so as to spare the state the need to resort more heavily to the Bank of Lebanon to acquire loans that entail major inflationary consequences. [Text] [Paris AL-MUSTAQBAL in Arabic 2 Feb 85 p 50] 8494

AID FROM EC, IRAN--The Iranian Embassy in Beirut announced yesterday that the Islamic Shari'ah Council has approved the allocation of 1 billion rials to help the needy in Lebanon. Meanwhile, in Brussels, the EC declared yesterday that it will provide \$11 million in grants and loans to help the Lebanese Government rebuild 350-400 schools that were damaged during the country's civil war. The EC funds will cover half the cost associated with the Lebanese Government's plan to restore a total of more than 1,000 schools. [Summary] [Beirut Domestic Service in Arabic 0530 GMT 14 Mar 85 NC]

PALESTINIAN AFFAIRS

PNC DEPUTY CHAIRMAN DISCUSSES RAMIFICATIONS OF COUNCIL MEETING

London AL-MAJALLAH in Arabic 20-26 Feb 85 pp 25, 27

[Interview with Salim al-Za'nun, deputy chairman of the Palestinian National Council, by Khalid Muhammad Batarfi: "Abu al-Adib: Soviet Union advised Us To Postpone Meeting of Palestinian National Council"]

[Text] Jiddah--The words of Salim Za'nun (Abu al-Adib), the PNC deputy chairman, member of the Fatah Movement's Central Committee and the head of the PLO office in Kuwait, are a mixture of poetry and politics. Over the concerns of the politician and those of the poet, we have conducted with him this interview on the PNC, the tales that preceded it and those that followed it.

[Question] Will the situation continue to be as it is: a Palestinian council in Damascus and another in Amman?

[Answer] There can be no two councils: one convened in Amman and another said to be planning to convene in Damascus. When our Algerian brothers despaired of completing the comprehensive dialogue and made their final endeavor to bring together all the Palestinian factions attending the November 1984 celebrations of the Algerian revolution's anniversary, they made efforts to arrange an accidental meeting for these factions to face each other without their prior knowledge. The factions were invited to the headquarters of the Algerian Liberation Front Party in the first week of November. Abu Jihad and the delegation of Fatah's Central Committee arrived and sat in the main hall. Then the delegation of the Democratic Alliance, headed by Nayif Hawatimah, and Khalid al-Fahum also arrived and sat down. Brothers M'hamed Cherif Moussadia from Algeria and 'Abd-al-Qadir 'Abd-al-Ghani from PDRY went to bring brother 'Isam al-Qadi from al-Sa'iqah office, brother Ahmad Jibril from the General Command and brother Samir Ghawshah from the Popular Struggle Front. But the three refused to come when they learned of the meeting's objective and boarded a private plane which flew them to Libya. In this respect, the Algerians had their excuse for saying that their efforts with Syria and with the so-called National Alliance had reached a low point. But the Algerians also told us that they met with the Democratic Alliance and with Fatah's Central Committee by virtue of the fact that those who signed the Algiers agreement shoulder the responsibility for convening the PNC in Algeria in accordance with a provision defining the principle of the agreement.

But they also found that the Popular Front (George Habash) had adopted a new position because it did not believe in the need to convene the PNC in Algeria or elsewhere as long as there is disagreement with Syria. The Algerians were made to understand by the Popular Front that in addition to the Democratic Alliance, other factions backed it, that 70 percent of those who had concluded the agreement backed down on it and that, to put it precisely, the Democratic Front was the only faction still determined to implement the Aden agreement and to convene the PNC. We excused the Algerian brothers and told them: We do not wish to embarrass you and we will hold the PNC in any Arab country that agrees to this. We contacted no less than seven Arab countries and Jordan agreed to the convocation of the PNC in its territories and that is where it was convened.

[Question] Does this mean that the other Arab countries did not agree to its convocation in their territories and would the situation have been different had the opposed factions calling for the convocation of an alternative council taken part in the meeting?

[Answer] The other countries declined and Amman agreed. Baghdad also agreed but President Saddam Hysayn was truthful and courageous when he told us: "I know that some organizations or factions do not wish to come to Baghdad. If you find any other place where you can overcome this obstacle, then convene your council there. But under all circumstances, Baghdad is fully prepared to receive the PNC." The Algerian brothers had the impression that another Palestinian national council would be convened in Damascus in response to the PNC, which was to convene in any place in implementation of the Algiers agreement. They said: In order that we may carry on with our mediation, we prefer not to attend either council. Brother Abu Iyad told them: We prefer to have you attend both councils. The council you find to be comprised of two-thirds plus one vote is the legitimate council, in accordance with the constitution. This means that any other council will be comprised of one-third minus one vote. I believe that you are always with legitimacy in Algeria.

Our Algerian brothers came with their delegation to the PNC in Amman. When they saw me as session chairman and when it was announced that 257 of the PNC members were present, keeping in mind that 250 members are required for a quorum, brother Jelloul Malaika, the Algerian delegate, was the first to speak enthusiastically, having seen the council's legitimacy. I would like to note here that 3 days before the convocation of the PNC, the Union wanted to carry on with concerted efforts to correct the relationship with the sisterly Syria but our answer was: We cannot postpone. They said: Then excuse us if we do not attend as usual with our delegation because we will not attend any council convened in Damascus. This will give us the freedom to move without taking sides with anybody in order to complete the efforts needed to correct the relationship between the Palestinian revolution and Syria. We agreed to this approach.

After the world saw how the PNC was convened with a full quorum and how all its bylaws were respected, the Soviet Union supported and blessed our National Council and invited the Executive Committee to visit Moscow. Our delegation,

comprised of Mahmud 'Abbas (Abu Mazin) and Muhammad 'Abbas (Abu al-Abbas), two members elected by the PNC's 17th session, went and held successful talks in the Soviet Union. The Soviets also sent a representative to Tunis. A high-level [Soviet] delegation will arrive in Tunis in the next 2 weeks to meet the Executive Committee. This meeting is supposed to have taken place by the time this interview is published.

To sum up, those who are in Damascus will not be able to convene another council. By the way, a U.S. reporter asked me a few days before the PNC was convened: Aren't you afraid that another council will be convened in Damascus? I told him: You have elections in the United States in which the Republica Party and the Democratic Party compete. If Reagan and his party win, would it be permissible for Mondale to form another congress or would such a step be considered high treason in accordance with the U.S. constitution? He said to me: It seems that you know the world's constitutions quite well.

Mediation Possibilities

[Question] What are the potentials and possibilities of mediation and reconciliation with Syria and with the dissidents?

[Answer] We awaited the convocation of the PNC as a halfway station on the path of completing the Palestinian national unity. Consequently, we stressed to the parties mediating between us and Syria that they should continue the mediation, saying for the first time in the PLO's history that we would leave vacant seats equal in number to the number of seats which were occupied by the boycotting factions. We said that we want to shorten the road for the brothers who may join the Executive Committee when the mediation efforts succeed so that we may not let them wait a full year until the PNC's 18th session is convened. The Legal Committee has drawn up for us a special bylaw in accordance with which the PNC has empowered a committee comprised of the PNC chairmanship and the Executive Committee to meet at any moment to name the three persons who, naturally, will represent the Democratic Front, the Popular Front and any other faction agreeing to resume its participation in the Palestinian leadership.

[Question] What are the ramifications of martyr Fahd al-Qawasimah's assassination to your Arab and Palestinian relations?

[Answer] It is regrettable that there are criminal hands which assassinated martyr Fahd al-Qawasimah when only 3 days had passed since his assuming his duties as head of the Occupied Homeland Affairs Department after his return from a tour during which he had visited Saudi Arabia, San'a', Qatar and Kuwait in the company of brother Abu 'Ammar. The situation the entire world has come to see is as follows:

The Zionist entity deported Fahd al-Qawasimah and Muhammad Mulhim and some Arabs have killed Fahd al-Qawasimah. As far as our people in the occupied homeland are concerned, this man, who had been elected by 70,000 people as

Hebron's mayor, was killed because he struggled for the convocation of the PNC and just before he became a member of the Executive Committee and took up the most important responsibility in this committee. What we fear is that the Israeli Mosad is now planning to assassinate a number of Arabs so as to kindle the fires of a sedition whose victims will be Palestinians and Syrians. This is why the Palestinian leadership has been careful to ask the Arab countries that have good relations with Syria and has asked the Soviet Union to set matters aright and to take whatever steps are necessary to avert this sedition because the Shari's rule says: "Averting vices is a prelude to reaping benefits."

[Question] We had heard about an inclination to form a factfinding committee to investigate the faults and corruption but have heard no more. Are you serious in this inclination?

[Answer] At the meeting they held in Tunis a month and a half ago, the Executive Committee and the PNC chairmanship formed eight standing committees from among the PNC members and three other committees, namely, the Administrative Reform Committee, the Control and Accounting Committee and the Factfinding Committee. They asked the chairmen of these committees to nominate the members who will work on these committees so that they may be approved. Some of these committees have been completed and others are about to be completed. We are exerting serious efforts to see that these committees carry out their work in the best manner.

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PALESTINIAN AFFAIRS

STATUS OF PALESTINIAN RESEARCH CENTER DISCUSSED

London AL-MAJALLAH in Arabic 20-26 Feb 85 pp 28-31

[Interview with Sabri Jiryis, director of the Palestinian Research Center, by Salih Qallab: "Director of Palestinian Research Center: We Will Move To Cairo Shortly"]

[Text] Nicosia--There has been a lot of talk and speculation about the fate of the Palestinian Research Center since its headquarters in Beirut was destroyed more than a year and a half ago. Some expected the center to move to Amman and there have been rumors and talk about this move--rumors and talk about which this is not the place to mention. Other noted that the Egyptian government welcomed this center in its territories but then backed down after the Aden-Algiers agreement which contained criticism of the Egyptian government or because of Israeli pressure conveyed by the U.S. ambassador in Cairo to the Egyptian authorities concerned.

AL-MAJALLAH has gone to this Palestinian institution's temporary headquarters in Nicosia, Cyprus, and conducted the following interview iwth Sabri Jiryis, the center's general director. The interview is not confined to the center's status and conditions but has gone beyond to some Israeli issues, since Sabri Jiryis is an expert on Israeli affairs.

It is well known that Sabri Jiryis was born in the village of Fassutah, Acre District, in 1938 and that he lived in the occupied territories until 1970 when he left on the instruction of the PLO. Jiryis worked as a lawyer, since he had obtained his M.A. in law from the Hebrew University in occupied Jerusalem in 1963.

In this interview, Jiryis asserts that the research center will be moved to Cairo shortly. He also analyzes the factors and causes of the Israeli withdrawal from South Lebanon and deals with a number of other important issues. Following is the full text of the interview:

[Question] What is the fate of the Palestinian Research Center, since it has been targeted by Israel since it was founded?

[Answer] I don't have enough information regarding the circle which carried out all the operations to which you have referred against the Research Center. However, I can say that Israel did not carry out all those operations.

The latest explosion, for example, was carried out, according to the information at our disposal, by the fascist Lebanese group known as the Front for the Liberation of Lebanon from Aliens, which is the destructive arm of the Phalange Party, in participation with a number of official Lebanese agencies. Here, it can be said that these circles are tied to or coordinate with the Israeli intelligence. This may be true. But what I mean precisely is that Israel did not carry out the operation directly. The circles to which I have referred may have carried out the operation, acting on the basis of narrow fascist and selfish interests.

In the wake of the invasion of West Beirut, the Israeli army openly and publicly looted the center's contents. It seems that the Israelis were content with this act at the time, keeping in mind that the contents were later returned in accordance with the agreement on the exchange of prisoners with the PLO, which was concluded at the end of 1983. But when the center resumed its activity in Beirut, it seems that some fascist Lebanese circles considered this tantamount to a challenge and thus perpetrated the well-known explosion which resulted in the death and wounding of a number of the center's personnel. The explosion also destroyed the center's headquarters and some of its contents and caused heavy damage to the center's neighborhood. It is worth noting here that these circles are still pursuing the Palestinians in Lebanon and perpetrating attacks against them and against their property. This shows that it is not the center but the Palestinians themselves who are the target.

[Question] Have you recovered all the books and documents which Israel looted in the wake of its army's invasion of West Beirut?

[Answer] Yes, we have recovered most of these books. In truth, it must be pointed out in this regard that the Research Center contains no secrets and that the so-called documents were no more than a number of academic books which can be found in many institutes and research centers, in addition to ordinary bookshops in all parts of the world, including 3,000 Israeli books, all of which study the Zionist entity and its society.

The importance of these books lies in the efforts spent to collect them and in the fact that they pertain to the Palestinian issue. Even the documents contain no secrets, neither in connection with the PLO's activity nor in connection with the activities of the hostile and friendly forces. These documents are tantamount to an invaluable collection of old British, Turkish, Israeli and Arab documents pertaining to the Arab-Israeli conflict throughout the past decades--documents whose sole use is for research and examination in writing the history of the Palestinian issue and of the Middle East. Added to these are enormous collections of ordinary publications, such as newspapers and magazines pertaining to the Palestinian issue in one way or another. These, briefly, are the contents of the Research Center.

Scarce Manuscripts

[Question] Are there scarce manuscripts that cannot be replaced?

[Answer] I will say, and for the first time ever, that the very scarce and invaluable manuscripts were moved out of Lebanon before the Israeli invasion. We also moved out all the dossiers that could contain sensitive information, including the dossiers concerning the center's personnel.

[Question] There have been repeated official Israeli statements hostile to the center. Why all this interest as long as the center contains nothing confidential, as you have said?

[Answer] Let me answer this question in my own way. If I were in the Israelis' shoes, I would not display all this interest in this center and I would not harass it. It is one of the few Arab institutions which tries to study all aspects of the Arab-Israeli conflict academically, rationally and realistically. It is my belief that this action must not scare anybody. But it seems that the childish Israeli mind acts contrary to what is expected. Imagine that they looted even the books published in Israel itself and that are sold in Israeli stores and bookshops. It is some sort of unjustifiable and silly sensitivity that is intended not to let anything become known about the Zionist entity. What I mean is that this is a continuation of the Israeli stultification policy which the Israelis believe helps them achieve their objectives.

[Question] Since your departure from Beirut, there has been conflicting information on the center's fate. Some say that it has settled in Cyprus and others say that it will be moved to Cairo. What is the outcome of your contacts with the Egyptian officials on this issue?

[Answer] The center is currently operating partially from its headquarters in Cyprus. The main headquarters is supposed to be moved to Cairo now that we have submitted requests to the Egyptian authorities on this issue and since measures have already been taken in this regard. After departing from Beirut, we discussed the issue of establishing a new headquarters for the center and it was the opinion that the best place would be in one of the frontline states. Thus, contacts were made with one of these countries but they produced no results. This is why we have turned to Egypt. The contacts in this regard are in their final stages and it is supposed, if everything goes well, to reestablish the center in Cairo within a short period so that it may be a station on the way of our return to the homeland.

Israeli Withdrawal

[Question] The Israeli government has recently decided to withdraw from South Lebanon. In your capacity as a specialist on Israeli Affairs, do you think that the withdrawal will be so complete that Israel will not maintain any kind of occupation whatsoever in the Lebanese territories?

[Answer] To start with, I must note that Israel will try to maintain a direct or indirect presence and influence in South Lebanon, especially since it has been seeking such an influence even before the 1982 invasion. But I believe that the Israeli withdrawal from South Lebanon will take place

sooner or later, meaning that the Israeli forces will withdraw and depart from the Lebanese territories. This is the result of very obvious factors pertaining to the nature of the Israeli problems emanating from the occupation. Israel is suffering daily and is stating this publicly. The reason lies in two main factors:

First, the constant, escalating, successful and effective resistance in South Lebanon. Permit me to add a word here: I wish the Palestinians were able to attain this level of resistance, or rather let me say that they have never attained this level of resistance. The Israeli circles themselves now acknowledge that more than 600 Israeli troops have been killed in South Lebanon and that more than 4,000 soldiers and officers have been wounded since the Israeli occupation. These are losses which Israel cannot endure. Any person aware of Israel's internal conditions must realize that this entity, which claims to be strong and which threatens the Arabs and the area, is fragile and perishable from within. I believe that the Lebanese resistance in which several parties, including the Palestinians, participate has actually been able to hit the Israeli occupier where it hurts. I believe that this is an important reason motivating the Israelis to withdraw.

Second, the economic situation in Israel is bad and is deteriorating steadily. I cannot analyze this economic situation accurately because I am not an economic expert. But to put it simply, it can be said that this situation emanates from the fact that Israel is spending more than it is producing. It has been making up for the deficit in crooked ways and in loans from here and there. But throughout the years, the situation has reached a point where it can no longer be patched up and where decisive measures are demanded. This means, by necessity, squeezing the expenditures. Since it is difficult for Israel to squeeze its internal expenditures because this will lead to disintegration in the Zionist society, it has chosen two external steps: first, withdraw from South Lebanon to save millions of dollars and, second, freeze settlement activity in the West Bank.

There is, moreover, a third factor, namely that the architects of the Israeli invasion realize 2 years after their invasion that their operation has failed to liquidate the PLO. What is intended here is not just the military power but also the political power. If we want to be realistic, we must acknowledge that the Palestinian presence in Lebanon did not pose a military threat to Israel but rather posed a political threat to it. This is why Israel launched its invasion to liquidate the PLO as a prelude to annexing the West Bank and liquidating the Palestinian issue finally.

But Israel has failed to achieve this objective. It is true that the PLO was forced to depart from Lebanon. But it has managed to solidify itself and to resume its political activity in a manner which seems more effective than before its departure from Beirut. Moreover, we must acknowledge that Israel has failed to turn Lebanon into the second state with a peace pact with Israel and it seems that it will not be able to achieve this dream because of various factors and reasons.

All these factors collectively have made Israel's decision to withdraw from South Lebanon an inevitable decision because there is no other way out of this dilemma in which the Israeli government has been immersed.

It Is Not a Decision-making Government

[Question] The balance of electoral forces in Israel has led to the formation of the so-called national unity government. In your assessment, how long will this formula survive?

[Answer] I believe that the balance of forces currently existing in Israel reflects Israeli society's real structure. It is well known that the labor wing (Labor Party) has dominated the Zionist movement since the mid-1930's. This means that it was evident then that this party would be the main force in the political entity planned to be established. This is what actually happened until the mid-1960's when the situation began to change due to numerous reasons, some pertaining to the occupation and some to the new educational system and to Israel being compelled to deal with the Arabs. This transformation resulted in the emergence of radical tendencies. I am not saying that the Labor Party has been moderate. What I mean is the emergence of currents more radical than the Labor Party which usually wraps its radicalism in sweet words. The currents I mean are those reflected in Likud and in the forces and parties allied with it, including Rabbi Kahane's movement. This is why the Zionist society has split politically into two parts: a part pretending to be moderate on the Palestinian issue, even though it is not essentially different from the others, and a fascist part which projects clearly what the first part cannot bring up openly.

Due to existing political, economic and social conditions, I believe that this division will continue to exist for a long time and that if Israeli elections were held again under these conditions, the results would be the same, even though some forces may gain a little at the expense of other forces. Here, I must stress that this government cannot make fateful decisions. Therefore, any serious talk of a solution in the Middle East and of changes toward the Palestinian issue will lead to the collapse of this formula because the two main parties (Labor and Likud) will find themselves, by virtue of the structure of each, disbanding this unity which has been created to deal fundamentally with internal affairs.

Difference Between Labor and Likud

[Question] But there are those who have expected and who continue to expect that the Labor Party's administration will witness progress in solving the Palestinian issue. Do you see the possibility of such a development?

[Answer] If the question concerns possibility, then the answer is absolute: Yes, there is a possibility. But there remains the question: What is this possibility? I am not one of those who consider all Israeli forces the same. There are differences and what is needed is to find out these differences and learn how to deal with them. There is no doubt that there is a difference between Labor and Likud vis-a-vis the Arab-Israeli conflict. This difference emanates from purely racial considerations.

To put it very briefly, the Labor Party current does not wish to increase Israel's non-Jewish population so as to maintain what it calls the character of the Jewish state, i.e., the Jewish character of the State of Israel. This is why we find that this party's political movement is based on this background. The Likud current favors land to population and says that Israel's land includes Palestine, Trans-Jordan and other Arab parts and that this land cannot be ceded even if it is full of non-Jewish people. This party also says that time will take care of the population problem by turning the majority in these areas into a Jewish majority. Through these different positions, there may be an inlet toward a solution. But this possibility is limited.

Likud is content to urge the Arabs to approve the reality of the occupation and Labor works to maintain the biggest area of land possible and to get rid of the biggest part of the non-Jewish population. Therefore, the ideal solution is to resort to war and to drive the occupation away from the land. But since this possibility is not available at present, the lesson of South Lebanon can be taken as a model, i.e., to exert military pressure through resistance and political pressure through the world until the Israelis are compelled to withdraw from the land or from a part of this land.

But we must realize that any Arab action requires a serious Arab position and requires putting real pressure on the United States--pressure that goes beyond the limits of the words we have become accustomed to hearing to effective action vis-a-vis the Western interests in our area. What I mean to say is that there is a possibility for movement. But for this movement to produce results, there has to be a more serious and more solid Arab position in order to create conditions similar to the conditions engulfing the Israeli occupation of South Lebanon.

[Question] We have been hearing in recent years, especially inside the PLO, those who say that there has to be a "negative offensive" against Israel and that it must be invaded from within through the Peace Now movement and others. Do you agree with this opinion?

[Answer] I agree with this opinion in one sense. But in another sense, I am against it at the same time. This statement by itself harbors a degree of naivete because there is no such a thing as a peaceful invasion of Israel. I also believe that under the present circumstances, there is no such a thing as a military invasion of Israel. Therefore, the two approaches must be employed together simultaneously. Adopting the so-called peaceful approach will turn into some sort of begging and I don't believe that the Zionist entity will be generous and offer us concessions because we beg it. Moreover, the present talk about a "crusade" against Israel to uproot it is some sort of madness, especially in light of existing Arab and international circumstances. The alternative is constant action to put pressure on Israel, to besiege it with all means and to blockade it internationally while intensifying the military resistance at the same time. It must be noted that new forces have emerged in Israel in recent years and that these forces are not confined to the Progressive List and the Peace Now movement. There are other forces.

Even inside Likud, there are those who urge the need for an understanding with the Palestinians first and then with the Arabs. I believe that we must not ignore these forces. I also believe that we should not put our wager on these forces alone as if they were the life preserver.

Putting all these forces in one basket without any distinction is a backward opinion whose price we have paid in the past. There are in Israel forces with which a dialogue can be conducted, but cautiously and deliberately and on the grounds that we are prepared to talk with whoever is prepared to recognize the Arab Palestinian people's rights.

8494

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PALESTINIAN AFFAIRS

NORWAY'S REFUSAL TO ALLOW OPENING OF PLO OFFICE ANALYZED

Nicosia FALASTIN AL-THAWRAH in Arabic 26 Jan 85 p 13

[Article by Basim Barhum: "Background of Norway's Refusal To Allow Opening of PLO Office in Oslo; Zionist Circles Threaten to Blow up Office"]

[Text] After a give-and-take lasting several months, the Norwegian government has finally elected to succumb to Israeli blackmail and pressure and to local rightist forces and has announced its refusal to allow the opening of a PLO office in Oslo--an office which was scheduled to be opened at the end of this current month of January.

Mona Rekke, Norway's minister of justice, who announced the news in the name of the government, justified the refusal with two reasons: first, the diffences within the PLO and, second, the major security risks emanating from the presence of such an office and the clashes that may occur between PLO supporters and opponents because of the office.

The minister of justice also stated that she will inform the parliament that the government will not give 'Abd-al-Rahman 'Alawi, who was expected to be the PLO representative in Oslo, a permit to operate or reside in Norway.

The justifications cited by the Norwegian minister of justice are an obvious attempt to acknowledging the true reasons that were behind this decision and that are embodied in submission to Zionist pressures and the fear of the breakup of the government coalition, since four ministers representing the Christian People's Party--a rightist party--have threatened to withdraw in case the government permits the opening of the office.

The weakness of the first justification lies in the fact that it comes after the PLO convened the 17th PNC session and emerged from the recent phase of inactivity with energy and effectiveness at the Arab and international levels. This is on the one hand. On the other hand, the differences within the PLO are an internal matter and this is why they have not been taken into consideration by hundreds of countries where the PLO has offices and diplomatic representation. The PLO is the party acknowledged at the Arab and international levels as the representative of the Palestinian people. There is no other circle claiming this representation.

As for the second justification, it is also incompatible with logic, since there are PLO supporters and opponents in all the countries that have recognized the PLO. Moreover, the clashes take place with or without the presence of the office and these clashes have never taken a serious character. The presence of a PLO office in Oslo may be very beneficial in pacifying the emotions, not the opposite, contrary to what the minister of justice alleges in her statement.

Record of Submission

Since this story has taken on a public character, reviewing the story of opening a PLO office in Oslo may be beneficial in revealing the truth and highlighting the reasons behind the regrettable decision made by the government.

On 11 November 1984, Norwegian television announced the Norwegian government's initial approval to opening a PLO office in Oslo, the capital of Norway, by the beginning of 1985.

This decision actually came about as a result of the ceaseless effort of the supporters of the Palestinian people's legitimate and just rights among the Norwegian people and their democratic and progressive forces, in addition to the efforts exerted by the PLO in this regard.

The give-and-take then started and the rightist forces and Zionist circles launched their offensive inside and outside the government to force it to back down on the decision it had announced on television.

From within the government, the Christian People's Party cabinet ministers, led by Kaare Kristiansen, the minister of oil, who is a traditional ally of Israel, exerted efforts to make the government back down on its decision. In his first statement on the issue, Kristiansen said: "I appeal to the minister of justice not to permit PLO members to reside in Norway," adding that the "presence of a PLO office in Oslo will be a heavy burden on Norway."

In another statement, the minister of oil retreated a little, saying: "Well, I have no objection to the presence of a PLO information office in Norway. But it is better that such an office be managed by Norwegians knowledgeable about PLO affairs and not by the Palestinians themselves."

He added: "We in the Christian People's Party make a serious appeal that the Palestinians not be given residence or work permits. Our land does not wish to become known as the land which permitted people from the PLO to reside and work in it because we know what the PLO is and what it has done and is doing."

At the time, program 2 of Norwegian television responded to the oil minister's statements sarcastically, saying: "It seems that our minister of oil understands the affairs of the Palestinian issue, of the PLO and of Palestine better than do PLO members." The program wondered: Can we imagine Norwegians running a PLO office to speak in the name of the Palestinians?

Kaare Kristiansen, the minister of oil, then issued a semi-ultimatum to the government; "No work or residence permits must be given to Palestinians to manage a PLO office in Oslo. We must also not forget that the PLO is a terrorist organization and that it is difficult to assess the nature of the actions in which the Palestinians in this office will engage."

On the same day, 13 November, the Ministry of Justice spokesman responded in a statement broadcast on Norwegian television: "The PLO can begin running an office in Norway as long as the staff of this office have not been involved in acts of terror."

After this statement by the Ministry of Justice, the radical right and Zionist circles escalated their rash and unethical campaign outside the government. In a private radio broadcast, monk (Sigord Viktor) from this Bible Followers Group, which is a radical rightist group that has firm relations with Zionism, said: "We beseech God to inflict death and destruction on the PLO office. In the name of Jesus Christ, we wish this office catastrophe. We beseech God to send burning fires to annihilate Israel's enemies and we implore God to make a complete failure the fate of the PLO office."

The secretary of the Norwegian Ministry of Culture responded immediately to the Zionist monk's statements: "This imploration has nothing to do with the Christians. Christianity has been misused by this group." The secretary added: "The Ministry of Culture will look into this action to find out if Norwegian law permits such statements on the air."

Blackmail Escalates

The blackmail and pressure reached their zenith in the articles published by the rightist newspaper V.G. under the title of "We Will Blow up Office" and "Terrorism Will Be Countered With Terrorism" in which the pro-Zionists said: "We have enough explosives and we have volunteers to carry out this act." Ola Ullstedt, the head of the Organization of Volunteers to Rescue Freedom, which is a rightist paramilitary organization comprised of mercenaries from the Norwegian army, said to the V.G. newspaper: "I will blow up the PLO's office if it is permitted to open. We have an abundance of explosives which we get from friends in the Norwegian army."

After all this, we wonder if the reasons cited by the Norwegian minister of justice in the name of the government are convincing reasons for this regrettable decision.

8494

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SAUDI ARABIA

MILITARY ACADEMY CURRICULUM, ACTIVITIES DETAILED

Riyadh AL-YAMAMAH in Arabic 23 Jan 85 pp 14-19

[Interview with Col Mit'ab bin 'Abdallah, Commander of the King Khalid Military Academy, by Idris al-Darwis: "We Make Educated, Devout Fighters"]

[Text] The interview with Col Mit'ab bin 'Abdallah, as he likes to be known, lasted longer than scheduled. It is easy to talk with him because he is generous in character, a good listener, and answers frankly and clearly. Col Mit'ab is the commander of the King Khalid Military Academy, and is a model gentleman, military man and sportsman. He speaks gladly of the King Khalid Military Academy--what it was, what it has become, and its future aspirations. The interview begins with a discussion of the King Khalid Military Academy. It does not stop there, but goes on to the National Guard and the services it provides its people. In short, in this interview we took up a little of the time of the commanding colonel of this "factory for men" in order to discuss the academy, which will graduate its first class of students this year. The interview then goes on to deal with the National Guard's educational and sports activities.

[Question] In the past, the National Guard consisted merely of fighting detachments of Bedouins armed with light weapons. When did the idea of developing the National Guard first arise, and who was behind this idea and its execution?

[Answer] On principle, I cannot accept the idea that the National Guard was no more than a few detachments. The fact is that it started out large and kept getting bigger and bigger. Thus it represented, and continues to represent, all the Saudi Arabian people. The National Guard's development is an ongoing, dynamic operation which has kept pace with the tasks and roles which our leaders have assigned to their soldier sons in the National Guard. Even so, we would not be overstating the truth to say that the National Guard's development has begun to accelerate and to proceed by leaps and bounds over the past 10 years, in keeping with the gigantic resurgence throughout all sectors of Saudi society, and that consequently new responsibilities have been placed on the National Guard. His Royal Highness Prince 'Abdallah bin 'Abd-al-'Aziz, crown prince, deputy prime

minister and head of the National Guard, has had the upper hand in this development, along with His Royal Highness Prince Badr bin 'Abd-al-'Aziz, deputy chief of the National Guard, and his devoted staff.

[Question] When was the National Guard's first military school established?

[Answer] In 1973.

[Question] Now that several years have passed since the National Guard's military school was made the King Khalid Military Academy, what effect do you think this decision has had?

[Answer] This decision has definitely had a very positive effect. This year, God willing, the first class of National Guard officers with baccalaureates in military sciences will graduate, thus constituting a new phase. I hope that the graduates will prove, in the practical and theoretical field, that they have the training, knowledge and military professionalism which will make them open to new ideas, reliable, and capable of following in the footsteps of their predecessors and developing their achievements.

[Question] When the King Khalid Military Academy was established, it was decided to accept college graduates at the academy. What do you think of this experiment in enrolling university graduates in the military? Has it benefitted the National Guard as a modern military organization?

[Answer] The question seems somewhat vague. As it happened, the decision to accept university graduates in the National Guard in general coincided with the opening of the King Khalid Military Academy. The academy itself accepts only secondary school graduates. As for enrolling university graduates in the military, there are regulations governing this. Some scientific specializations can be militarized and some cannot, but can serve the National Guard in the context of civilian service. We look forward to the day when we will see a military doctor, a military engineer, and so forth. But this is only beginning.

[Question] How many students does the academy accept each year? Is there any intention to increase the number of students accepted? What are the academy's future plans?

[Answer] The academy can handle a great many students, but National Guard policies determine the number of students in each year's class. The academy has the flexibility and the plans which will enable it to respond quickly to all future needs.

[Question] What kind of curriculum is taught at the academy?

[Answer] The King Khalid Military Academy has a comprehensive curriculum including military sciences, to qualify the graduate to be an officer in the armed forces, and college-level Islamic and cultural studies and the humanities, so as to open up horizons for higher academic studies for the graduate, which will serve his specialty and his military knowledge.

[Question] Are all the academy's faculty members military personnel, or do they include civilians?

[Answer] Qualified senior officers teach the military subjects, while the academic subjects are taught by holders of specialized doctoral degrees.

[Question] Does the academy's faculty include any non-Saudis?

[Answer] It is planned to make the faculty entirely Saudi in the future, but the King Khalid Military Academy is at present working with an elite corps of brother Arabs, who constitute a highly-specialized and scientifically- and academically-qualified faculty as stipulated by the academy's bylaws.

[Question] How do you select applicants to the academy, and what tests do you administer?

[Answer] The applicant must pass a medical and physical fitness examination, and must have a personal interview. Above all come his secondary school grades, since preference is given to those with higher grades.

[Question] Some people say that the faculty should not conduct the personal interview, saying that this amounts to intermediation. What do you say?

[Answer] The military corps faces many difficulties and responsibilities, and no one applies for it unless he likes this kind of life. Intermediation might be good in some fields, but not in the military field. The harsh training, the lack of free time and amusement, and the exposure to danger are all factors in the rejection of anyone who does not welcome such a career. The personal interview gives the committee an impression which is valuable in evaluating the applicant. Those who conduct the interview have their own skills, specialties and knowledge. We at the King Khalid Academy have full confidence in the honesty and objectivity of those supervising the examinations and the interviews. I can frankly say that the accusation of intermediation is a weapon used by those who have failed. The academy's doors are open to every young man ready to compete and excel. As our proverb has it, "Let it come from your arm, not your mouth."

[Question] What types of weapons are the students trained on?

[Answer] The student at the King Khalid Military Academy is a first class military man, and therefore weapons are the tools of his trade. Thus he is trained on the same types of weapons used in the National Guard, be they light, medium or heavy, with differing degrees of concentration on each one. Naturally, individual training, dangerous skills and covert action are given precedence at first, with the graduate later specializing in certain weapons and taking specialized courses.

[Question] What is the difference in the ways the National Guard and the armed forces are armed?

[Answer] Defense policy is determined by our leaders, led by His Majesty Commander-in-Chief of the Armed Forces King Fahd bin 'Abd-al-'Aziz, His Royal Highness Crown Prince, Deputy Prime Minister and Head of the National Guard Prince 'Abdallah bin 'Abd-al-'Aziz, and His Royal Highness Second Deputy Prime Minister and Minister of Defense and Aviation Prince Sultan bin 'Abd-al-'Aziz. By virtue of this leadership and guidance, all sectors of the armed forces are armed according to the interests of the state, the security and stability of the society, and the tasks and roles assigned to each sector. But they all join in the sacred duty of protecting our holy places and defending our homeland and the well-being and security of our nation. Weapons are weapons, no matter their type or form. Our leaders give their soldiers the weapons they need.

[Question] The National Guard is launching a massive effort to fight illiteracy among its men. Has this goal been achieved in whole or in part?

[Answer] The first part of the question is true. The National Guard, by the grace of God, has encouraged its officers to fight illiteracy among its personnel and to open schools for them at all educational levels. There is a school in almost every unit, as part of its structure, which moves with it wherever it goes. However, as you know, illiteracy is a big problem, and we are merely one part of our society. His Royal Highness had issued an earlier decree stressing the need to wipe out illiteracy within a certain time, and we are making every possible effort to achieve this goal. This year the National Guard has 83 Saudi college students working in education, not to mention the non-Saudis and those below university level. The number of schools and teachers is continually increasing.

[Question] What were the results of the Peninsula Shield maneuvers?

[Answer] The Peninsula Shield maneuvers were the pride of every citizen of the Gulf Cooperation Council [GCC] countries--in fact, the pride of every Muslim Arab wherever he may be. These maneuvers showed coordination, integration and cooperation among brothers in building up our nation's own might. The Arab Muslim soldier of the Gulf has proven himself continually alert, progressive, and capable of dealing with all the new weapons, regulations, and military sciences. As long as our area, with its holy places, its blessings and its location, is so extremely important, its people must work together to defend it.

I hope we will see the day when there is coordination, cooperation and integration among Gulf soldiers in all fields of training, qualification, military schools and academies, higher institutes, curricula, and the unification of interests and ideas, because this would enrich and consolidate Arab military science and make a rich, inspired unity out of diversity.

[Question] National Guard plans include replacing illiterate soldiers with literate ones. Does this mean that before joining his detachment, the soldier will be enrolled in a National Guard school?

[Answer] We now have a large percentage of literate enlisted men. As for the new men, education begins side-by-side with training in the training

centers. The schools there educate the enlisted men and give the soldiers the opportunity to raise their educational level. The National Guard has made promotion to NCO contingent upon educational achievement, which is a very good incentive. If you study, you get promoted. Otherwise, no promotion.

[Question] The National Guard has an active medical department, but unfortunately its services are almost completely limited to Guard personnel. Why doesn't it expand its activities in order to benefit all citizens?

[Answer] Medical services in the National Guard are part of the overall picture governing the National Guard's plans, as decided by the crown prince, deputy prime minister and head of the National Guard, his deputy, and his devoted staff. These services are basically a civilized, humanitarian activity serving the families and community of the National Guard's military posts. As part of the overall plan for the Guard, clinics have been established from the unit level on up, beginning with clinics and ending with big specialized hospitals. These services are available to all and are completely free of charge no matter the cost, as His Majesty the King directed when the King Khalid Hospital in Jiddah was opened. As you know, the Health Ministry does not withhold therapeutic and preventive health services from the citizens. We can never become an alternative source of such services, but nevertheless the National Guard hospitals are for all citizens and are at their service. However, they are specialized hospitals, to which cases from primary care clinics are referred. They will accept any emergency case or injured person, whether from within the National Guard or from outside, and will provide treatment until the case can be followed up at an outpatient clinic.

[Question] Inasmuch as you have worked at the National Guard school and then at the King Khalid Military Academy, do you see any difference between the students of today and those of yesteryear?

[Answer] When His Majesty King Fahd bin 'Abd-al-'Aziz said that during the 5-year plan the Kingdom had been able to open schools at the rate of two a day, he was expressing the great growth seen in the field of education, which basically works to create a Muslim Arab Man eager to work, to succeed, and to seek a better life. This is the basic essence of our students. Their Arab Islamic upbringing and their attachment to our basic values and customs has not changed. But I am afraid that some students may think that the military life is easy, and that the rank which they take over from those who have gone before them comes without any sweat, exertion or long struggle. This is a mistake. Luckily this group is a small one, and most of them drop out during the first month of preparatory training. With the number of applicants increasing each year, competition has increased, as has our overall ability to select the young men best suited to the military life.

[Question] Where does the King Khalid Military Academy stand with respect to equivalent military academies in the Kingdom and elsewhere in the world?

[Answer] When the academy, its curricula and its regulations were planned, it found itself in a position where it could benefit from the experience of the Kingdom's other academies and its universities--a rich, deep experience. We benefitted from the experience of the King 'Abd-al-'Aziz War College, the King Sa'ud University, and the Imam Muhammad bin Sa'ud Islamic University. As for other countries, we benefitted from the experience of our Arab, European and American colleagues.

The King Khalid Military Academy is the younger sister of the Kingdom's military academies. This year, after the first class graduates, there will be criticism, evaluation and a comprehensive review of everything which has been achieved, and the results will serve as feed-back to enhance the expertise of the academy and fill whatever gaps appeared in practice. The end result may perhaps be a stand which will benefit everyone, whereby the King Khalid Military Academy can integrate with its other sister academies within the context of the directives of our enlightened leaders.

[Question] What do you think of the future of the National Guard over the next few years?

[Answer] The future of the National Guard is linked with the future of our blessed country--a future which we hope will, God willing, continue to flourish just as it is now. The future is the child of today, and what we sow today will be reaped by coming generations, just as we today have reaped the blessings and glory sown by our fathers and grandfathers--the first being the security and stability enjoyed by this holy country, by the grace of God, followed by the vigilance and balanced policies of our leaders and their free resolve deriving from the faith and well-being of the Saudi people. The National Guard will continue carrying out the orders of this wise leadership in order to guard our holy places, protect our interests, and defend our citizens' right to security, prosperity and tranquility. On this basis, God willing, the future of our entire country will hold blessings and hope and greater gifts.

[Question] What about National Guard housing? What groups are entitled to it, when is it assigned, and what is new on the housing scene in other areas like the Western and Eastern Provinces? What about housing at the academy?

[Answer] National Guard housing is managed according to an overall plan for each locale where National Guard units are stationed and for the command headquarters. It is for everyone; whoever needs housing will find it, be he enlisted man, non-commissioned officer, or officer. Entire cities are being built now, comprising thousands of villas and housing units, services, schools, mosques, and public parks. The same thing goes for housing at the King Khalid academy, for it is no exception to the rule. It will provide housing for academy personnel--military men, faculty members and employees. They will all find rest, repose, and leisure activities, and they will feel at ease. There are many details, if you want to hear them.

The first housing phase includes the construction of 11,279 villas at various National Guard posts in Riyadh, al-Ahsa', al-Dammam, al-Ta'if, Jiddah, and elsewhere.

There are three types of housing: for enlisted men and NCO's, officers, and high ranking officers. The housing units will be handed over to their owners completely furnished. For example, in Riyadh, the first housing phase consists of 4,576 villas in Khashm al-'An for enlisted men and NCO's, 492 villas for officers, and 34 villas for senior officers.

In Dayrab there are 1,350 villas for the first two groups, and the second housing phase consists of approximately the same number of units, or more, for each category of resident. The other areas are comparable in this respect. As for the King Khalid Military Academy, the first phase of housing there consists of 11 villas for officers, 356 villas for enlisted men and NCO's, and 60 luxury flat housing units for the others. Once the first phase is completed, there will be subsequent phases which will provide housing for everyone.

[Question] Is there any coordination among the commanders of the military academies? How much is there, and how is it accomplished?

[Answer] Coordination and even more than that exists on a continuing basis among the military academies, their commanders and their officers. The activities of each are governed by royal orders and standardized regulations. There are regular meetings and permanent committees which meet to discuss everything concerning the academies' activities. As I mentioned before, the King Khalid Military Academy is the youngest sister, and as such it is open to all the experience and beneficial studies of those academies which have gone before it in this field.

[Question] Everyone knows that Your Excellency is quite concerned with sports, and that you have taken the academy's sports activities under your wing. Tell us more. What is your opinion of Saudi sports in general and the brilliant victories won by our national stars? Do you engage in any sports? Which ones do you prefer?

[Answer] As you know, sports activities are an important part of the academy curriculum, because physical education, increasing one's fitness, and developing one's endurance and resistance to fatigue are essential for the military man throughout his career. Therefore, our concern for sports activity and games at the college derives from this principle. Besides, the clear concern on the part of His Majesty and His Highness the Crown Prince and Deputy Prime Minister and Head of the National Guard for their athletic citizens has been an incentive and encouragement to pursue sports on a wide scale. Let me take this opportunity to congratulate all our Saudi athletes for our stars' winning the Asia Cup, and to express my hopes for more of the same in the future. However, we must remember that soccer cannot advance by resting on past laurels; there must be long-term, constant, organized efforts in order to follow up our victories. I have full faith in my brother Prince Faysal bin Fahd, director general of youth welfare, who deserves the credit for these victories, and from whom we can expect much. We look forward to the day when every young man will have an athletic hobby which he can pursue and derive enjoyment from, and which will build up his body and strength. Sports is part of an individual's successful life, and such activity is essential for health, especially if a person does it in moderation

and not to excess. Good sportsmanship is an art and a resource, as is a moral commitment to athletics. This aspect of any activity is what fascinates me and attracts my attention. As for sports, tennis fascinates me, and it is a hobby which I have always wanted to take up. However, I like to follow athletic games in general, especially major soccer games.

[Question] The National Guard has a model sports club. How do you compare it to other clubs? Can we become a "model" for other clubs? Can anyone enroll in the National Guard club?

[Answer] Concern for sports clubs is a constant in the National Guard's plans to serve its people, as is the holding of social, athletic and cultural meetings, not only in Riyadh but wherever National Guard units are stationed. The club is not just for sports, but has other dimensions. Attached to the Riyadh club is an intermediate school for young people, because such concern should start at the beginning. The National Guard club is an athletic school which works with star athletes from the National Guard who have played in scores of games. This school starts with players 12 years old and up. In addition to the playing fields, the swimming pools and the complete athletic facilities, there is a section for sports medicine. The National Guard welcomes everyone to its club, and the National Guard clubs have supplied scores of players and stars for a great many games.

Naturally, I am not in a position to be able to compare the National Guard clubs with others, but I believe, and declare, that our sports clubs are "factories for men," not only building their bodies but deepening their attachment and loyalty to their society and their involvement in their country's growth. The clubs strive to raise the educational level of their members and the public. Any club has to be a social, cultural and athletic meeting place providing young people with opportunities for combined mental and physical growth.

8559

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SAUDI ARABIA

DIRECTOR REVIEWS MECCA-TA'IF DESALINATION PROJECT

Riyadh AL-YAMAMAH in Arabic 16 Jan 85 pp 14-15

[Article by Salman al-'Amri: "The Mecca-Ta'if Water Desalination Plant Project--Good-by to the Years of Thirst"]

[Text] A few years back, a drop of water was scarcer than gold in our country. No doubt the older people of this land remember well the difficulties of the pilgrimage and the troubles faced by those who travelled across the dry, parched desert. The picture has changed today, for water has become available in every town, village and farm. The General Organization for Saline Water Conversion has played a major role in providing water for homes and projects by means of their huge water projects throughout the country. One of the major projects now being constructed by the organization is the Mecca-Ta'if project. AL-YAMAMAH met with the governor of the organization, 'Abdallah al-Ghulayqah, to talk about this important project.

Al-Ghulayqah began by saying, "Phase One of the Mecca-Ta'if project, which is located on the Kingdom's west coast in the al-Shu'aybah area, about 110 kilometers south of Jiddah, is one of the big projects being carried out by the organization.

"The project consists of several sections: a power plant, a saline water conversion plant, pipelines and storage tanks, and a housing complex.

"It is being built by an international consortium working with Saudi contractors.

"The power plant will consist of five units, each consisting of a 65-megawatt "back pressure" [al-daght al-khalfi] type steam boiler, turbine and generator. Thus the plant will produce a total of 325 megawatts. Part of this will be used to run the equipment and the first pumping station, and the rest will be sent to the national grid. This project also includes several pumping stations and other equipment for chemical treatment and the production of compressed air, storage tanks, and two 150-meter chimneys."

The Water Desalination Plant

Al-Ghulayqah continued, "The salt water desalination project will consist of ten boilers, each of which will produce 22,300 cubic meters of water a day when operated at a lower temperature of 90 degrees centigrade, and 26,760 cubic meters a day when operated at a higher temperature of 101.5 degrees centigrade.

"Another part of this project is the construction of a 373-meter long marine pier for unloading fuel, which will be able to accomodate 20,000 ton tankers. There will also be a sea water inlet 113 meters long and 11 meters deep, and a return channel for saline water 463 meters long and 6.5 meters deep. There will be several pumping stations and auxiliary equipment, in addition to three tanks to store the water that is produced, each of which will hold 140,000 cubic meters (37 million American gallons).

"A contract was signed on 27 September 1984 stipulating that within 40 months, i.e by early 1987, water would begin to be pumped to Mecca and Ta'if through pipelines and four main pumping stations."

The Pipeline and the Storage Tanks

Speaking of the Mecca-Ta'if pipeline, which will provide Mecca with approximately 35 million gallons and Ta'if with 15 million gallons of water a day, al-Ghulayqah said that it will be constructed in the following main sections.

1. Building the pipeline: this includes building two 56-inch steel pipelines each about 95.8 kilometers long, starting at the al-Shu'aybah desalination plant south of Jiddah and ending at the 'Arafat storage tanks. Then one 48-inch steel pipeline about 41 kilometer long will be built from the 'Arafat tanks to Ta'if, making the total length of the pipeline 136.8 kilometers. There will also be a 32-inch natural gravity double pipeline running 2.6 kilometers from the Ta'if tanks to the Ta'if mixing tanks.
2. The pumping stations: this part consists of four pumping stations distributed along the length of the pipeline to propel the water.
3. Storage tanks: there will be eight tanks distributed as follows: four in the 'Arafat area, each to hold 50,000 cubic meters of water, and four in the Ta'if area, each to hold 25,000 cubic meters.
4. Housing: there will be four complexes to house employees operating and maintaining the pipeline.

The Tunnel

This is considered one of the most important components of the project. It is now being drilled through the al-Hada Mountains so that the pipeline can pass through this range. This tunnel will be 13.2 kilometers long and will incline approximately 4.5 percent. Its cross section will be 23 square meters, and its western entry point, on the Mecca side, will be 1,170 meters above sea level, while the eastern mouth, on the Ta'if side, will be 1,170

meters above sea level. The most modern drilling, lighting, air conditioning, and water drainage methods are being used. It is worth mentioning that special measures are being taken to stabilize the rocks immediately after drilling. This is done according to the type of rock, since there are several kinds, some of which need strong stabilization, others which need less, and some which don't need any stabilizing at all.

The tunnel has been designed to carry two pipelines, but only one will be installed during Phase One, in addition to an asphalt road for maintenance vehicles. If another pipeline is called for in the future, it can be built. The contract, which was signed on 8 September 1982, called for the work to be completed within 53 months.

The Housing Complex

At the end of the meeting, al-Ghulayqah said, "Inasmuch as the Mecca-Ta'if desalination plant is located in a remote area 110 kilometers from Jiddah, and because the nature of desalination plant work requires the presence of officials, operators and workers close to the plant on a 24-hour basis, it is necessary to build a complete housing complex to house the employees near the plant. The project will consist of 500 housing units as follows: villas, housing for singles, family housing, and a housing complex for guards, in addition to public facilities such as a Friday mosque, three small mosques, a commercial center, schools for boys and girls, a clinic, an electric grid, a communications network, roads, sewers, a sewage treatment plant, and landscaping."

8559

CSO: 4404/242

SAUDI ARABIA

HUGE REFINERY COMPLEX GOING UP AT RABIGH

London AL-SHARQ AL-AWSAT in Arabic 23 Feb 85 p 4

[Article by Khalid Muhammad Ba-Tarfi: "AL-SHARQ AL-AWSAT Tours the Largest Oil Refinery In the World; A Complete City Around the Rabigh Refinery, and a Port for the Largest Tankers"]

[Text] In the early eighties, officials at PETROMIN, a government organization subordinate to the Saudi Ministry of Petroleum and Mineral Resources, thought of building a sixth Saudi refinery on the Red Sea coast to provide more petroleum products for export, especially kerosene, diesel fuel, naphtha, and fuel oil, which are currently considered the most profitable petroleum products urgently needed by the entire world, in view of their use in desalination plants, electric generators, ships, and airplanes.

Because Yanbu' already has a refinery, a search for another suitable site began. It was no easy matter, for the site had to have the potential for the construction of a port to load supertankers, and the lay of the land had to be suitable for such a huge project.

As is his custom, King Fahd took part in the selection of the site, and toured his country's west coast with PETROMIN officials and specialists. During this tour, he noticed that the town of Rabigh, halfway between Jiddah and Yanbu', had the geographic and natural features qualifying it as the best site for the project, and technical studies of the site's features confirmed that view. The land is level, without any obstacles, and the bay on which it is situated is suitable, from the standpoint of water depth and the nature of the land under the water, for mooring large ships, with a little improvement and development.

On 8 December 1982, royal approval was granted for constructing the refinery as a joint venture between PETROMIN and the Greek Petroleum Company, which was also given the concession for marketing the refinery's products on the world market, inasmuch as it is an international company with a share of the world market and good distribution channels. Construction on the project is to be completed by the end of 1985.

Because arid land was chosen for the project, and the nearby town of Rabigh cannot accomodate the labor force which will build and then operate the project, once the port was initially readied the "Petrola" Company moored a ship there which consists of a complete housing project providing sports areas, dining halls and recreation facilities for the construction workers living there. It was also decided that the project would include the construction of a mini-city with complete basic and secondary services for the resident workers who will operate the refinery and its auxiliary equipment once the project is built.

In another context, the site of the project is not very far from the Jiddah-Mecca-Madinah expressway, and thus connections between the site and its residents and surrounding cities will be quick and regular.

The consecutive steps of the project have been taken very quickly; 2 years after it was begun, the project is close to completion, and it will be only a few more months before it is totally finished and ready to start operation and begin exporting its products, God willing.

This project includes an export refinery, the nucleus and first phase of the project. In addition, there are the necessary support facilities: maritime services, a residential quarter, electricity, water for cooling the machinery and drinking water, in addition to its own airport, which can handle small and large planes and can be used as a local airport once the project is finished.

Huge Production and Storage Capacity

The refinery itself has refining units which will produce 2.6 million tons of naphtha, 1.4 million tons of kerosene, 3.4 million tons of diesel, and 7.1 million tons of fuel oil a year, these being the most important products.

A basic advantage of the refinery is its vast storage capacity. Its huge storage tanks can hold 70 days worth of continual production without any being drawn off or exported. This will help the refinery hold back its products when the market is flooded, without being forced to sell them at any price however low. The 33 tanks can hold 20,000 barrels of refined products, while the 21 crude oil storage tanks can hold 22.5 million barrels. This vast crude oil storage capacity will enable the refinery to operate for 60 days without having to acquire more crude oil.

The project's port will have five piers for unloading crude oil and loading petroleum products. This port will be able to receive the largest super-tankers in the world. A 325,000-ton tanker will be able to dock at the port, even though the largest tanker in the world right now does not have this capacity. The port also has additional piers for unloading and shipping oil and relieving and shipping cargo.

The project gets its electricity from a large power plant with four gas turbine units which combined produce about 80 megawatts. However, this power plant will be turned into a stand-by plant once the project is connected with the new Rabigh steam generating plant operated by the United Saudi Electric Company of the Western Province.

Complete Services and Facilities

For sweet water, there is a desalination plant for the project which will provide 8,000 cubic meters of water a day, as well as other units supplying sweet water to the residential quarter.

Another plant will purify and stabilize water polluted by oil, chemicals, sewage and rain water before returning it to the sea, so as to protect the sea and coastal waters from natural and industrial pollution. The overall design for the project called for the most stringent health and environmental protection specifications. For this reason, each storage tank is surrounded by a concrete wall to prevent the oil from leaking outside the tank's perimeter in case of fire or accident. Even should the entire contents seep out, there would only be a pool of oil around the tank. The designs for the refinery and its equipment observed the strictest safety specifications, and the site has a fully-equipped fire station.

A large channel provides the water needed to cool the Rabigh industrial complex, and has a capacity of 40,000 cubic meters. The intake channel consists of a 600-meter long channel, the floor of which is 15 meters below sea level. At the base, the channel is 7.5 meters wide, while at sea level it is about 92 meters wide. The basic channel is connected to a 160-meter long branch channel by means of two 3-meter pipelines about 55 meters long.

Steam generating units will provide the steam needed to run the refinery and the support services during the first phase. They were designed in such a way that they could be expanded to meet the needs of the project's second phase. The steam units will produce about 80 tons of steam an hour at various pressures.

The complex's residential quarter is located 25 kilometers away, for greater safety as well as to help the workers get a change of atmosphere during their leisure time. The quarter will have 1,277 housing units, 2 neighborhood mosques, a large Friday mosque, several sports fields, social, commercial and recreation centers, a security force, postal service, boys' and girls' schools, a shopping center, a restaurant, a hotel and a clinic.

In designing all these buildings, care was taken to coordinate the architectural features with the heritage of the people of Rabigh, as well as considering elegance and modern progress in housing.

Finally, we must point out that the Rabigh refinery is the largest in the world from the standpoint of a single unit's production. There are refineries which produce more, but from several units. Furthermore, what has been completed so far is only one phase of a multi-phase project. When the Saudi ruler inaugurates this huge project this December and announces its start-up, the citizens of the Kingdom of Saudi Arabia will celebrate a major step in producing and exporting Saudi oil to the world as finished products, not just a raw material!

8559

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SAUDI ARABIA

SAUDI AID TO DROUGHT-STRIKEN COUNTRIES EXAMINED

London AL-MAJALLAH in Arabic 13-19 Mar 85 pp 34-37

[Article by Salih Qallab: "Silent Saudi Support For the War Against Drought In Africa"]

[Text] In discussing the Arab role in Africa, it must be emphasized that some Arab countries are making a gigantic effort but are remaining quiet about it. We must quote the remarks of African officials in general, and Senegalese officials in particular, to the effect that an exception can be made for some Arab countries, particularly the Kingdom of Saudi Arabia and the PLO, when it comes to the inadequacy of Arab action in Africa as compared to Zionist action.

During the 2 weeks AL-MAJALLAH spent in Dakar, the journal tried to collect precise data on Arab aid to Africa. In its search for answers, it went to Saudi Ambassador 'Abdallah al-Tubayshi, who insisted that in helping Africa, the Kingdom wants only to honor God and serve Arab and Islamic causes, and said that "His Majesty King Fahd's directives stipulate that our work on this continent be not for propaganda's sake, but to serve Muslims and Arab causes on this important continent."

Since Ambassador al-Tubayshi refused to give out any information about Saudi aid to Africa, AL-MAJALLAH went to several Senegalese officials and Arab ambassadors and obtained the following information.

At the Third Islamic Summit Conference in Mecca, the Kingdom of Saudi Arabia announced its allocation of US\$100 million to carry out an urgent aid program for the African Sahel countries suffering from drought. Part of this sum, \$15 million, was allocated for providing urgent food supplies, while the remaining \$85 million was allocated for artesian well drilling and rural development programs in the African Sahel countries.

Ten Countries Are Benefitting

Ten countries benefitted from this program: Senegal, Mauritania, Chad, Mali, Guinea, Guinea-Bissau, Burkina Fasa, the Comoros Islands, Niger and Gambia.

The food supplies have been collected and delivered to the beneficiaries, and the well-drilling project has been started in most of the Sahel countries.

Furthermore, the Kingdom's aid to the Sahel countries over the past 3 years has included additional quantities of foodstuffs, and the well-drilling program has been expanded. Total aid is estimated at 172.4 million Saudi riyals distributed to Mauritania, Mali, Somalia, Niger, the Comoros, and Sierra Leone. Over the past 3 years Mauritania has received 70 million riyals in foodstuffs and medical supplies in order to alleviate the effects of the drought. Mali received an additional sum of 5 million riyals which it allocated for food supplies. Somalia received 35 million riyals for drilling wells and rural development, in addition to 40 million riyals worth of food and medical supplies over the past 2 years.

The sum of 10.6 million riyals has been allocated for the well-drilling program in Niger's Tahwa area, in addition to 3 million riyals for food and medical supplies. The Kingdom gave the Comoros food and medical supplies worth 2 million riyals, and 2 years ago it gave Sierra Leone food and medical supplies worth about 6.8 million riyals in addition to some farm machinery.

Moreover, this aid and assistance has obviously gone to some countries where there is a Christian majority. Information from diplomatic and economic circles in Dakar indicates that the Kingdom of Saudi Arabia has made a major contribution to fighting the African famine, but has kept silent about it. It has contributed a total of 158.4 million riyals to aid African refugees in the Sudan, Somalia and Eritrea and victims of the civil war in Chad several years ago. It has contributed 123.2 million riyals to the first and second congresses for aid to African refugees, and recently directed that official and popular committees be formed to collect contributions from Saudi citizens and send them to refugee and drought victim relief organizations in Africa.

In response to the call of the Fourth Islamic Summit Conference in Casablanca for more aid to the Sahel countries, the Kingdom issued Decree No M/178/5 approving the allocation of \$30 million to expand the above-mentioned well-drilling and rural development programs in the beneficiary Sahel countries. AL-MAJALLAH has learned that each country's share will be determined according to the economic indices used before in distributing the previous \$100 million. These supplemental programs will be carried out very soon.

Through the research conducted during its African tour, AL-MAJALLAH was able to compile the following tables, which show each Sahel country's share of the \$15 million food program, and elucidate the well-drilling and rural development programs in these countries.

Table 1. Food Programs

Country	Allocation (Riyals)	Wheat (Tons)	Sorghum (Tons)	Cooking Oil (Tons)
Comoros Islands	849,061.50	1,050	780	500
Guinea	1,542,812.50	1,460	1,700	1,150
Guinea-Bissau	1,117,187.50	1,065	1,200	750
Gambia	913,750.00	1,050	900	600
Mali	2,364,376.00	1,650	1,755	1,650
Mauritania	917,187.50	1,036	795	550
Niger	1,861,875.00	1,080	1,400	1,150
Senegal	1,265,625.00	1,095	1,200	900
Burkina Faso	1,105,937.50	1,550	1,535	1,400
Chad	2,072,187.50	908	904	1,350

In addition to wheat, sorghum and cooking oil, Chad received 929 tons of rice.

Table 2. Well-Drilling and Rural Development

Country	Allocation (Dollars)	Program Items	Date Started
Comoros Islands	5,123,000	27 reservoirs water distribution networks 20 wells 12 dams 9 breakwaters	January 1985
Guinea	9,578,000	3 dams	March 1985
Guinea-Bissau	6,781,000	125 artesian wells 25 trench wells 7 reservoirs	December 1985
Gambia	5,539,000	120 trench wells 8 artesian wells 8 reservoirs	November 1985
Mali	12,848,000	63 artesian wells 20 trench wells	April 1985
Mauritania	5,560,000	36 artesian wells 66 trench wells 36 reservoirs and distribution networks	March 1985
Niger	9,618,000	300 trench wells repair of 45 trench wells 12 pumping stations	December 1984
Senegal	7,797,000	30 artesian wells 26 reservoirs and water distribution networks	April 1985
Burkina Faso	10,969,000	600 artesian wells	April 1985
Chad	10,453,000	108 artesian wells 76 trench wells	December 1984
TOTAL	US\$85,000,000		

8559

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SYRIA

TISHRIN ON MUBARAK'S FAILURE, JORDAN VISIT

JN180854 Damascus SANA in Arabic 0740 GMT 18 Mar 85

[Text] Damascus, 19 Mar (SANA)--TISHRIN wonders what is behind the failure of the Egyptian regime president's visit to Washington. The paper says: What is required by the United States and Israel are not concessions only, but to follow the U.S.-Israeli plans without discussion, and to submit to U.S. and Israeli desires. In its editorial today, TISHRIN points out that the U.S. administration wants everything in the open, and that it does not seek bombastic stands agitating expressions. The U.S. administration wants 'Arafat to stand on the podium and announce loudly that he recognizes the existence of Israel.

TISHRIN points out that due to this stand, the U.S. administration did not pay any attention to 'Arafat despite his running after the U.S. settlement. It neither encouraged Mubarak despite his frank calls for supporting and guaranteeing the Husayn-'Arafat trend, nor did it support King Husayn's stands despite the fact that it is fully aware that he was able to seize the Palestinian decisionmaking. The paper says that Mubarak patiently had to bite the bullet and returned empty-handed. He returned to Cairo to begin a new march along the path of capitulation in accordance with U.S. orders and Israeli desires.

TISHRIN concludes: Today, when Mubarak and Husayn meet in Amman, their talks will not focus on Mubarak's failure in Washington, but on the possibility of achieving Israeli-U.S. success through their joint efforts and through their open alliance with 'Arafat and with the Arabs in the United States behind the scenes.

CSO: 4400/96

SYRIA

AL-BA'TH ON SYRIA'S SUPPORT FOR LEBANESE LEGITIMACY

JN180932 Damascus Domestic Service in Arabic 0345 GMT 18 Mar 85

[From the press review]

[Text] Under the headline "The Arab Option Is the Only Victorious One in Lebanon," the newspaper AL-BA'TH says: When Syria extended support to fraternal Lebanon, its aim was connected to national, pan-Arab, and human objectives. We are not concerned here of talking in detail of the fraternal initiative that was launched by Syria to avert any harm to fraternal Lebanon and protect it from internal and external enemies without expecting Lebanon's gratitude because Syria and Lebanon are brothers.

The decision leader Al-Asad adopted 10 years ago tackled all aspects of the Lebanese issue especially on the human, national, and pan-Arab levels. The decision was a wise and brave one. It led fraternal Lebanon to overcome the ordeal, recover, and reach the shores of safety represented by the pan-Arab option that Israel and its agents tried to completely remove from the arena and consequently to exterminate those who believe in it and fight for it.

AL-BA'TH adds: Therefore, and despite of all isolationist and divisionist attempts, which used to appear due to the U.S.-Zionist support, the Arab option remained firm and deeply rooted in the Arab Lebanese soil; an option which gathered the people around Syria's historic decision and around the public consensus on the salvation and national accord march. The Arab option will realize victory and will remain a high banner in Lebanon's sky. That is why the Zionist enemy, which was defeated in the south and in Al-Biqah, is trying to infiltrate through Juniyah where there is a group of agents seeking to serve their own interests and Israel's interests as well, through returning with the homeland to the bloodbath and civil war.

Concluding, AL-BA'TH says: Those agents are again trying to go back to divisionist schemes at a time when all the Lebanese people have risen to high levels of maturity and awareness and to a state of awakening, by supporting legitimacy and by resolving to achieve security and accord in face of any agency that may confront the firm popular will. What is going on in East Beirut is only a mean attempt to strike at Lebanese national unity and to undermine the victories of the heroic national resistance, which bitterly defeated the Zionist invaders. This attempt is inspired by Israel and the

United States to create the means for flagrant interference in Lebanese affairs. This interference started with the evacuation of the U.S. community in Beirut and the continuous meetings in Juniyah between Ja'ja' and Zionist officers. However, the national will, which supported legitimacy and heroic resistance and defeated the invaders with their personnel and equipment, is undoubtedly able to defeat sedition because the people's will is above sedition and will destroy any attempt to harm the homeland.

CSO: 4400/96

SYRIA

AL-THAWRAH ON PRO-ISRAELI MOVES IN LEBANON

JN160919 Damascus Domestic Service in Arabic 0345 GMT 16 Mar 85

[Press review]

[Text] In its editorial under the headline "Lebanon Is Stronger Than Any Israeli Move," AL-THAWRAH says: For some time now, Lebanon has been witnessing a suspect movement carried out by certain elements linked to Israel, which aims at obstructing the national accord process and impeding the security and political measures that the Lebanese Government is carrying out in order to find a final and comprehensive solution to the 10-year-old crisis. This movement has disclosed its link to Israel, which is trying to destroy and divide Lebanon in order to implement its old aggressive plan. It is not a coincidence for this movement to begin after the national accord process in Lebanon has covered a great [deal] of territory on the path of general stability, which is a prelude to removing Lebanon from the circle of chaos and crisis and enabling it to assume a natural role in the area.

The timing is Israeli, because the Zionist enemy, which was compelled to begin pulling back its forces from Lebanon under the blows of the Lebanese national resistance and the Lebanese people, wants to avenge this defeat--hence the suspect movement of Israel's agents and the developments experienced by East Beirut in the last 2 days. Sincere and honest Lebanese are called on to obstruct Israel and its agents and to use their national vigilance and caution to prove that they have transcended the stage of chaos and dispersion and are able to face challenges, from wherever they come.

It is natural for Syria to follow these surprising developments in the Lebanese arena with increasing concern, to hold intensive contacts with President al-Jumayyil and the Lebanese Government, to affirm its absolute support for Lebanese legitimacy, and to reject and condemn the suspect moves of Israel's agents. This is because Syria cannot remain indifferent to these moves. Syria will not allow anyone to wreck the national accord process in Lebanon, especially when such a move comes from agents directed by Israel.

It is assumed that such a fact is clear to everyone. Syria, which has sacrificed a great deal for Lebanon's salvation and liberation from the Israeli occupation, must be concerned with all events and developments occurring in Lebanon. It will never allow Israel and its agents to implement conspiracy.

Syria will never allow them to achieve what they have failed to achieve by military aggression and by trying to impose the 17 May agreement. The situation in Lebanon must advance, achieving comprehensive salvation and maintaining Lebanon's Arabism, unity and independence. The clock cannot be turned back. This is a fact that everyone must understand, then deal with the situation accordingly.

CSO: 4400/96

SYRIA

PHALANGIST DISPUTE 'NOT INTERNAL ISSUE'

JN160904 Damascus SANA in Arabic 0724 GMT 16 Mar 85

[Text] Damascus, 16 Mar (SANA)--The newspaper TISHRIN says that what is taking place in Lebanon at the hands of certain pro-Zionist elements can only be considered as an Israeli attempt to torpedo all that Lebanon has achieved on the path of national accord and to undermine the Arab option that has become a general national option.

In an editorial entitled "No, It Is Not an Internal Issue," the paper affirms that what is taking place is a direct service for Israel, if not a response to an Israeli desire and the fulfillment of an Israeli mission. In either case, it is a unpatriotic act, because it is a mad attempt to cause another eruption in Lebanon in Israel's interest, TISHRIN says.

The paper explains that the declared aims of this movement constitute a real coup against all the basic, national, and security principles that have been adopted by Lebanon--president, government, national forces, and masses. In fact, this coup is against the head of Lebanon, the homeland, the destiny, the accomplishments--from lausanne to the liberation of Sidon--and all the positive developments that have been achieved in Lebanese politics, the paper adds.

TISHRIN affirms that all that Lebanon has achieved belongs to the whole of Lebanon, and that nobody can impose his wish or desire on the homeland. The question is more important and sublime than all personal and fictional interests, especially when we know that these factions are linked to the homeland's arch enemy, the paper says.

The paper says: Escaping responsibility for the gravity of what is happening and its destructive effects on Lebanon with such false excuses as saying that this is an internal party issue is an obvious maneuver to hide the real role given to this movement and its leaders as well as the real objectives and timing of this movement. This movement is directed at national legitimacy and unity, and is aimed at dragging Lebanon onto Israel's lap once again.

TISHRIN cites 'Abd al-Halim Khaddam's statement that Syria will not remain indifferent to any movement in Lebanon that is directed by Israel or serves its interests, and affirms Syria's determination to safeguard Lebanon's

legitimacy and unity--people and land--as well as its reconciliation achievements and reform plans. This Syrian determination, the paper says, will not tolerate any divisions, compromise, or half solutions. Syria will remain loyal to its pan-Arab commitments to Lebanon. It will spare no effort, and it will use all the means in its power to support Lebanon--president, government, and national forces. This question lies at the core of Syria's pan-Arab strategy. Therefore, nobody should miscalculate or bet on delusions that fell for good with the May agreement.

CSO: 4400/96

UNITED ARAB EMIRATES

UAE PAPER ON IRANIAN SHOPPING SPREE

GF071026 Dubayy KHALEEL TIMES in English 7 Mar 85 p 3

[Article by Maruf Khwaja]

[Text] An unprecedented influx of Iranian shoppers into Dubai has set off a mini-boom in the household goods market.

An estimated 1,000 to 1,200 Iranians have been arriving daily to take advantage of import concessions granted by their government late last month which allow every individual to take home with them, duty free, about 2,000 dollars worth of goods. The goods can then be sold by these individuals at whatever price the domestic market can bear.

An Iranian source told KHALEEL TIMES the shopping spree is generating sales of about Dh5 million per day, mostly in Dubai with some overflow in Sharjah.

Small traders dealing in household goods such as refrigerators, television sets, vacuum cleaners, washing machines, crockery and blankets have been benefiting most from the trade which is expected to peak around the Nauroz Iranian national holiday on 21 March.

But the source said contrary to the general belief that the concession would be withdrawn soon after Nauroz, the measures are expected to remain in force "till further notice."

As a result of the mini-boom, prices of certain consumer durables which had plunged to an all-time low in recent months have recovered to at least last year's levels. One major electronics store in Dubai which was planning a sale this month has put it off indefinitely.

Retailers reported a run on Sony TV sets, Electrolux vacuum cleaners and Korean made blankets. Sale of the latter item usually declines this time of the year with prices averaging Dh50 for a single-bed blanket. Dealers said they had no difficulty now getting almost twice that amount from Iranian shoppers.

But not all importers and dealers in household appliances are getting a share of the boom. Shopkeepers said items most in demand are of the cheaper variety--goods made in Korea, Taiwan and Hong Kong which are priced much below popular Japanese products.

This was sought to be explained by the limited purchasing power of the Iranians who have reportedly been allowed by their government to take out of the country 500 dollars each in travellers cheques and up to 1,500 dollars worth of Iranian consumer goods which they sell in Ubaï.

One result of this private barter business is a sharp fall in the price of pistachios which until last month were fetching Dh15 a kilo. The price at Hamriya Souk yesterday was Dh8 per kg. Each Iranian is allowed to take out of his country for "import barter" purposes one kg caviar, 10 kg of pistachio nuts and limited quantities of handicrafts including miniature silk rugs.

Dubai's second class hotels are the other beneficiaries of the Iranian influx which has also been facilitated by the hotels availing of their transit visa sponsorship authority. Mid-city second class hotels checked by this reporter were full to capacity. Some had waiting lists of visa applicants. One establishment near Deira bazar which had been known for offering 50 percent discounts on its normal tariff to longstaying guests, had marked up its daily room rate by 50 percent. The hotel, "booked solid" over the past week, had taken adjoining flats on lease and was putting up the overflow at four persons to a room.

Most hotels were demanding a minimum stay of three days. Some of the visitors on a "shoestring budget" have had to control their expenditure rather tightly for fear of not being able to get a seat on so far fully booked Iranair return flights.

At least one major travel agency which has traditionally serviced Iranian travel has also reaped considerable benefit from the boom, charging Dh200 per sponsorship.

CSO: 4400/96

UNITED ARAB EMIRATES

BRIEFS

TRADE WITH UK--Abu Dhabi, 9 Mar--The annual trade volume between the UAE and Britain has reached 4 billion dirhams. Imports account for 3 billion while exports account for the remaining 1 billion. Muhammad Khalifah al-Yusuf, director of the economic department at the UAE Foreign Ministry, has said Britain is still third on the list of countries exporting to the UAE during the past 3 years. However, UAE imports during these years dropped. In 1982, imports dropped by 1.5 percent compared to 1981 figures, while in 1983 they dropped 20 percent in comparison to those during 1982. Machinery and transport equipment accounted for 1.7 billion dirhams of Britain's exports to the UAE which also included processed commodities, chemicals, beverages, and tobacco. [Text] [Manama WAKH in Arabic 0840 GMT 9 Mar 85 GF]

CSO: 4400/96

10 April 1985

AFGHANISTAN

SOVIETS REPORTEDLY SUFFER HEAVY CASUALTIES

Tehran KAYHAN INTERNATIONAL in English 6 Mar 85 p 1

[Text]

NEW DELHI, India, March 5 (Dispatches) — Mujahideen have launched heavy attacks on Soviet forces in northern and eastern Afghanistan, killing or wounding at least 200 Soviet and Afghan soldiers last month, western diplomats reported Tuesday.

Quoting reliable sources, the diplomats said the attacks took place near the Pakistan border.

The Barikot post near the border has been besieged by the Afghan freedom fighters for almost two months and four attempts last month by Soviet forces to supply and release the embattled garrison at the post have failed, said diplomats, who briefed reporters on conditions they not be identified by name or nationality. More than 12 tanks and seven armored personnel carriers have been destroyed in the attacks, they said.

Mujahideen also overran two Afghan military posts in Samarkhel area near the Pakistan border last week and took 50 prisoners during the siege the reports said.

In southern Khandahar Province, fighting picked up

in the past week, and 12 Afghan soldiers were reported killed and one officer captured in a Mujahideen attack on Feb. 22 on an Afghan post in the city of Khandahar.

Heavy fighting was reported in the Nagan area of the province two weeks ago and two Soviet aircraft reportedly were downed in the attack. Khandahar's population has fallen from about 225,000 to 20,000 people because of the fighting, the diplomats said.

Meanwhile, the Mujahideen in the Panjsher Valley continue to make small night-time strikes on isolated Afghan and Soviet outposts.

Airborne Soviet assault troops have been forced to return several times in the past month because of Mujahideen attacks, the reports said.

Soviet forces conducted commando operations in the strategic Panjsher Valley in the north from Feb. 19 to 21 "to clean the lower part valley of Mujahideen units," said one diplomatic report.

Commando units were airlifted to different areas in the side valley and Soviets are

reported to have suffered heavy casualties during the operation.

"Evidently both sides are maneuvering forces in the valley for the spring offensive" one diplomat commented. Because of the relatively mild winter this year, the Soviets seem "determined to conduct search and kill operations in the valley," he added.

Mujahideen leader Ahmed Shah Masood, also known as the "Lion of Panjsher", has called for fresh recruitments for the spring offensive, the diplomats reported.

Activity around the capital city of Kabul was reported to be relatively calmer with a few flares and explosions in the past week. One person was killed in a bomb explosion at a gun powder factory on March 2, which the government television claimed was an accident.

At least 15 people were injured in the explosion, the diplomats reported.

Flares apparently dropped by Soviet and Afghan transport planes landed at the British, U.S. and West German embassies in Kabul but caused no damage.

IRAN

EDITORIAL EXAMINES WORLD SILENCE VIS-A-VIS CIVILIAN ATTACK

Tehran KAYHAN INTERNATIONAL in English 10 Mar 85 p 2

[Editorial by S. Moadab]

[Text]

All is being repeated again. Artillery bombardment, heavy ground-to-ground missile attacks, rockets fired from jet fighters homed in on civilian targets. The agreement of June 12, 1984 proved to be a false hope for all who wanted to keep the defenseless women and children out of the reach of fire and destruction. In less than one week more than 10 towns and cities have been attacked. Abadan, Khorramshahr, Ahwaz, Dezful, Susangerd, Masjid Soleiman, Khorramabad, Sar-e-Pol-e-Zahab, Bostan, and Bushehr. Undoubtedly when the sun rises on Sunday more cities would have been attacked and more men and women would have lost their lives.

The international organizations are all mute. As if they all have signed a joint agreement of silence. Not even a single word of protest against these maniacal action is heard. The Islamic Republic of Iran has no other alternative but to retaliate: A retaliation preceded by evacuation warnings. Immediately after the bombardment of Ahwaz and Bushehr the people living in the Iraqi city of Basra were warned of Iranian retaliatory attacks. Hours after the warning the city was bombed for more than four hours. It was hoped that the Ba'athist regime would take this measure seriously and halt any more attacks. Baghdad's answer was in the negative. The city of Dezful was hit by eight ground-to-ground missiles.

President Ali Khamene'i the chief of the Supreme Defense Council warned the Ba'athist regime to come to reason and noted that the Islamic army is powerful enough to penetrate deeply into Iraq for counterstrikes: Saddam's reply was more missiles on more Iranian cities. At the moment this editorial is being written Radio Tehran has announced that ten Iranian war planes have bombarded economic facilities inside Iraq in two different attacks. It was also announced that with the exception of four holy cities, no other areas in Iraq will be exempted in the retaliatory actions against the Ba'athist dictator in Baghdad.

Such a reprisal in fact has its roots in the Qur'an. The one who encroaches must be punished. The whole of Iran is really angry this time. People of all ages are urging retaliation. Nonetheless what the Iranian armed forces are doing is a minimum simply because they do not want to endanger the lives of innocent people. War is ugly, but it is uglier when it is waged against civilians. Defenseless men and women must be protected. What can we do? Should we let the Ba'athist regime slaughter our women and children and not react? Of course not.

Saddam Hussein is using the people of Iraq as a shelter for his crimes. The situation he has produced has been dealt with in Islamic fight. The Iraqi dictator is a dangerous man. He is hiding behind the people of Iraq and is firing ground-to-ground missiles on civilians. We have to stop these atrocities. This time the Islamic army has decided to do so.

Following the wave of brutal attacks by the Baath'ist army the foreign ministry of the Islamic Republic called a meeting of foreign ambassadors and charges d'affaires to outline for them the new situation. Acting Foreign Minister Muhammad Besharati has met the ambassadors of the Soviet Union, India, Pakistan and Turkey. Deputy Foreign Minister for Political Affairs Hussein Sheikholeslam has met the Syrian, Libyan, South Yemen, Italian and Brazilian heads of diplomatic missions in Tehran. Deputy Foreign Minister Kazempour Ardebili has met the Portuguese, Swedish, Yugoslav, Chinese and North Korean ambassadors. Deputy Foreign Minister Mir Mehdi has received the Romanian ambassador.

These ambassadors have been briefed on the present situation and told that the Islamic Republic does not want to wage a war in the cities. Iran is ready to halt attacks against non-military areas if Iraq does so. Nonetheless the dialogue with 15 top diplomats in one day is significant. As President Khamene'i said the targets we choose to attack have vital importance for Iraq. We prefer to destroy installations rather than innocent men and women. This time Iran has decided to demonstrate its power.

Why has the Baath'ist regime resumed its attacks at this time? The Iraqi dictator has chosen a very sensitive period. We all know that under heavy pressure from the Lebanese Muslims the Zionist regime has started to withdraw its forces from Lebanon. Amidst this shameful defeat of the Zionist invaders we witness assassinations and explosions in the Muslim controlled areas of Lebanon all organized by the Zionists. On the other hand, the Iraqi regime has just executed another 10 people from the Ayatollah al-Uzma Hakim family. All these are examples of open genocide in order to divert world attention from the Zionists crimes and Baath'ist barbarism.

Baghdad has decided to play with fire. The Hezbollah in Lebanon inspired by the victories of the Islamic Revolution have been devastating an increasing number of Zionists soldiers. The successor of Anwar Sadat in Egypt is daily bringing Yasser Arafat and King Hussein closer and closer to signing the second phase of the Camp David conspiracy. In order to obfuscate all this the imperialists have decided to strike Islamic Iran, which is most powerful in its uncompromising attitude to an Arab sell-out. On the other hand the Baath'ist regime which is being shattered by the continuation of the war wants a way out of its self imposed impasse. The Iraqi dictator has found its hole-card in massacring innocent people.

The Iranian nation is very angry. The people have unanimously been calling for reprisals. When President Khamene'i arrived at Tehran University to deliver the Friday prayers sermons people angrily

shouted "Our president the answer to a rocket is a rocket ." In the buses, in taxis, in any public gathering people are asking for more retaliatory actions. In this week more than one thousand people have been killed and injured in these Iraqi bombardments. The Iranian people are asking for rapid reprisals. President Khamene'i, as well as Majlis Speaker Hashemi Rafsanjani have both spoken of deep penetration into Iraq. We have been informed by authoritative sources that the Islamic army of Iran has been reinforced to assume more responsibilities in helping the people of Iraq free themselves from Ba'athist domination.

After a long waiting period perhaps the brutal Ba'athist rocket and missile attacks will offer the long-awaited finale to this war. Only a powerful answer can stop the perilous adventurism rekindled by the Ba'athists in Iraq.

CSO: 4640/348

IRAN

CONTINUED RETALIATION BY WARRING PARTIES

Paris LIBERATION in French 7 Mar 85 p 23

[Text] The truce of June 1984, under which civilian targets would be spared, fell apart with the bombing of the Iraqi city of Basra. Baghdad is threatening to retaliate.

Thirty Iranian cities will be bombed at 10 o'clock Wednesday morning: This was the threat made yesterday by Baghdad in retaliation for the attack by Iranian artillery on Basra, the capital of southern Iraq. But the day passed without Iraqi guns going off, and one can well ask what the next phase in the unending conflict between the two countries will be. "Should the Iraqi government carry out its threat, Iranian forces will take retaliatory action and will destroy the most sensitive targets within the range of fire," it was declared in a communique from Tehran. The wheels of escalation have been well oiled....

The attack on Basra, Iraq's second largest city, represents an undeniable intensification of the Iran-Iraq war. The country's only maritime port, Basra is indeed Iraq's only outlet to the Persian Gulf and its strategic importance is therefore obvious. Since the Ramadan offensive in July 1982, the city has been subject to continual threats. In February 1984, Tehran asked Basra's residents (one million souls) to leave their city before a rain of fire was unleashed on it, on 11 August and 13 September, Iraq complained of new bombings which, according to Baghdad, violated the truce reached on 12 June 1984. Then, since the beginning of 1985, the Iranian army let it be thought that it was launching an attack on this southern city, before issuing an ultimatum last Tuesday...and carrying it out: For 4 hours in the night of Tuesday to Wednesday, the shells fell on the suburbs of the city. "Several casualties" were reported, according to an official communique from Baghdad.

For the Iranian authorities, it was a matter of riposting after the Iraqi air operation against a factory in the suburbs of Ahvaz (Khuzistan) which left 12 dead and 28 wounded on Monday. It should be explained that in this war, every military gesture seems to be "in retaliation" for something. And this is why the definitive breach of the June 1984 truce--as both parties are not concealing their determination to attack civilian

targets--may seem alarming: The spiral of reprisal and counter-reprisal is mounting, while the Iranian chief of staff, Col Ismail Sohrabi, threatened yesterday to bomb "all Iraqi cities with the exception of Shi'ite holy places". In this case, Karbala', al-Najaf, al-Kazimiyah and Samarra' would have to privilege of being spared the sinister "war of cities" that the two countries seem willing to wage.

For the UN, whose emissaries are wearing themselves out searching for a solution to a war of nearly 5 years, this new flare-up is a glaring setback. On Tuesday evening, the Security Council called on Iran and Iraq to let "moderation" prevail over the logic of vengeance, But it is not readily seen how Iraq might give up the idea of responding to the attack on Basra, against which Baghdad had repeatedly warned Tehran. The Iraqi government is even less disposed to being calmed since its demand for the liberation of all prisoners of war held by both sides has not been satisfied up to now.

Yesterday morning, calm had returned to Basra, but neither Baghdad nor Tehran had answered the UN appeal. On Monday, Iraq announced its 35th air attack on a ship in the gulf, as part of its maritime blockade of Iran.

12413

CSO: 4619/37

10 April 1985

PAKISTAN

ZIA DEFENDS CHANGES IN CONSTITUTION

Karachi DAWN in English 12 Mar 85 p 1

[Text]

QUETTA, March 11: President Gen Mohammad Zia-ul-Haq has said that recent amendments carried out in the Constitution were in the best interest of the country and added that he was within his constitutional and moral right to undertake this exercise.

Addressing a news conference at Sibi on Monday before conclusion of his two-day visit to Baluchistan, the President told a questioner that this right was given to him by the people of Pakistan expressly during pre-referendum campaign and also through their verdict in referendum.

He, however, stated that National Assembly would be within its competence and free to accept or reject these constitutional amendments.

He told another questioner that fundamental rights mentioned in objectives resolution as also article of constitution pertaining to these rights would become operative with lifting of martial law in the country.

During last eight years, he stated, Government had made every effort to protect basic rights of the people despite constitutional provision having been in abeyance.

President while responding to a question said that it was his endeavour that only such person should be nominated as Prime Minister who not only enjoyed support of National Assembly but also people of country. He said despite suggestion made by some quarters, he did not have any intention to become Prime Minister himself.

In reply to a question, he said that it was wrong to say that as a result of constitutional amendments, "One Unit" had been restored. Actual fact, he added, was that more powers had been given to provinces and a chapter concerning provinces had not been touched at all.

He said that although provinces were fully empowered, but relationship between Prime Minister and provincial Chief Minister should be quite good so that centre

and provinces worked in complete harmony.

President Zia-ul-Haq while replying to another question said that members of National and provincial assemblies would take oath of there office as prescribed in 1973 Constitution. Governors and judges of high courts would, however, take oath of office afresh after lifting of martial law in the country.

In reply to a question, he reiterated that National Assembly would take decision about revival of political parties and hoped that ways and means would be devised to enable smooth and proper conduct of politics.

Referring to his meeting with some of members-elect of National Assembly and provincial assembly during his current visit to Quetta and Sibi, he said that his belief had been further strengthened that new leadership would work for integrity and solidarity of Pakistan and promotion of its Islamic ideology.

CSO: 4600/352

10 April 1985

PAKISTAN

KASURI ATTACKS CHANGES IN CONSTITUTION

Islamabad THE MUSLIM in English 9 Mar 85 p 8

[Article by Nusrat Javeed]

[Text]

ISLAMABAD, March 8: Mian Khurshid Mahmood Kasuri, Central Information Secretary of the defunct Tehrik-e-Istiqlal, has alleged that the recent amendments made in the Constitution of 1973 have destroyed its federal and parliamentary foundations. He was talking to newsmen here.

Kasuri said that these amendments overlooked lessons learnt from the political and constitutional crisis of Pakistan. One of the lessons was that the Parliament should be sovereign and Prime Minister not subservient to the head of state. He referred to the experiences of the country under Iskandar Mirza and Ghulam Mohammad who emerged all powerful and caused successive changes of the governments.

The new constitutional scheme introduced in the name of amending the Constitution of '73, Kasuri observed, gave more powers to the President of Pakistan than were available to the US President who heads a presidential form of government. The directly elected American President has no right to dissolve the Congress. But the head of state in Pakistan who is supposed to be working under a parliamentary form of government could do whatsoever he wanted to according to the latest amendments.

The Tehrik leader maintained that the Federal structure has also been affected by the decision that the Governors, appointed by the President, will nominate the Chief Ministers with the consent of the President. He said that it has been claimed that the federal system has been strengthened with the inclusion of the Provincial Assemblies in the process of amending the constitution or electing the President. "If the regime is serious about provincial autonomy why it should not remove the concurrent list of subjects and issue a new division of subjects between the Centre and the provinces according to the spirit of the 1973 Constitution which said that after 10 years such a list would be provided", he asked.

Khurshid Kasuri also criticised the proposed National Security Council and argued that by establishing that institution a political role had been provided to the armed forces who for their professional compulsions must remain independent of political positions in the country.

He said that though France, Egypt and Turkey have Prime Ministers yet it could not be said that they have the parliamentary form of government.

Kasuri contended that the former Chief Justice of the Supreme Court, Sh. Anwarul Haq, had

every right to explain the decision made in the Begum Nusrat Bhutto Case as the President of and on claimed that he was given the right to amend the Constitution by the Supreme Court. Now when the author of that judgment had disputed the President's interpretation the latter should revert to that court itself to know whether he was empowered to amend the Constitution.

The Tehrik leader claimed that the results of the December 19 Referendum could not be interpreted as mandate to amend the Constitution. That interpretation, quite strangely, was used to bypass the people who according to the government itself, had been returned with a massive turnout in the general elections.

Answering questions, Kasuri said that the MRD was not ashamed of its decision to boycott the national and provincial polls held under August 12 plan. On the contrary, it felt vindicated as by boycotting the MRD had provided the native politics with a definite moral content and established that the politicians in the movement were not unprincipled powerseekers. For the first time in the history of Pakistan such a moral content had been given to politics. He believed that the amendments made in the Constitution had also upheld the MRD stance on the polls held in February.

CSO: 4600/349

PAKISTAN

AMENDED CONSTITUTION CALLED 'MERE EYEWASH'

Karachi DAWN in English 12 Mar 85 p 8

[Text]

KARACHI, March 11: The defunct JUP (Sind) at a meeting here on Monday said that the revival of all the provisions of already heavily-amended 1973 Constitution, except the crucial 27 Articles, was a "mere eyewash".

The point at issue, in its view, was the "immediate" lifting of Martial Law and the restoration of 1973 Constitution in its original form and substance.

The meeting, which was held under the presidentship of Prof Shah Faridul Haq said that through constitutional amendments the President has assumed more powers than exercised by the US President. For instance, it pointed out, the US President can not dissolve the Congress, nor can he subvert the powers of judiciary. And, besides, the fundamental rights of the American citizens can, in no circumstance, be withheld.

The Sind JUP reiterated its stand that it would not adopt a policy of confrontation or bear any personal rancour in the course of its struggle for the restoration of democracy, constitutionalism and the rule of law.

It demanded the release of all the political prisoners, including Maulana Shah Ahmad Noorani.

Mr Zain Noorani, M.N.A.-elect, on Monday welcomed President's announcement on the revival of the major portions of 1973 Constitution and described it as a first step towards restoration of democratic government and lifting of martial law in the country.

He said it was now upto all of us — the elected members of various assemblies as well as people of Pakistan — to work together to strengthen the various institutions that have been revived. The stronger these institutions, the more successful will become the democratic traditions and parliamentary system of government, he added.

Mir Nawaz Khan Marwat, M.N.A.-elect, said that revival of major portions of 1973 Constitution was an important step towards introduction of democratic government in the country.

President Gen. Zia-ul-Haq, he said, desired to see democracy flourishing in the country and the nation must extend all possible cooperation to him. —APP

CSO: 4600/352

10 April 1985

PAKISTAN

LAWYERS' ASSOCIATIONS CRITICIZE AMENDMENTS

Islamabad THE MUSLIM in English 9 Mar 85 p 6

[Article by Asif Durrani]

[Text]

QUETTA, March 8: The joint meeting of the High Court Bar Association and Baluchistan Bar Association yesterday strongly criticised the amendments made in the 1973 Constitution and alleged that by such amendments a new and one-man Constitution had been imposed on the nation. The meeting was presided over by Yahya Bakhtiar, President High Court Bar Association and Khalid Malik, President Baluchistan Bar Association.

The meeting observed that the so-called amendments had not only altered the basic structure of the 1973 Constitution from its parliamentary nature to the Presidential form but was virtually a new and highly authoritarian type of one-man made Constitution much more reprehensible than Ayub Khan's Constitution. "No individual has any authority or power to amend the 1973 Constitution or purported to give a Constitution of his own tailored to his desire", it said.

The meeting in its resolution said that one-man Constitution of 1985 is merely meant to perpetuate the military regime in civilian guise, with a view to acquire a semblance of legitimacy for the continuation of martial law and authoritarian rule of General Zia in Pakistan.

The meeting further said that the one-man Constitution has subverted and virtually abrogated the Constitution of 1973. Thus the apprehension and stand of those

who pleaded for the boycott of the election had been justified and vindicated as the elections were not meant for the purpose of transfer of power to the elected representatives of the people.

The meeting further said that the amendments had flagrantly negated the spirit of the Objective Resolution on the issue like fundamental rights, provincial autonomy, independence of judiciary and above all the sovereignty of the parliament. While elaborating the objective resolution the meeting said that the objective resolution spoke of the sovereignty over the entire universe belonging to Almighty Allah alone and the authority which He has delegated to the State of Pakistan through the people for being exercised within the limits prescribed by Him is a sacred trust, wherein the state shall exercise its power and authority through the chosen representatives of the people. Thus under the so-called amendments the sovereignty belongs to General Zia alone within the State of Pakistan and powers and authority therein shall not be exercised by the chosen representatives of the people but General Zia alone in his discretion.

The resolution also took strong exception to the promotion of National Security Council. This may cause serious misunderstanding between the people of Pakistan and the country's armed forces, it added.

CSO: 4600/349

PAKISTAN

CONSTITUTIONAL AMENDMENTS CONDEMNED

Karachi DAWN in English 9 Mar 85 p 2

[Text]

FAISALABAD, March 8: The District Bar Association, Faisalabad, in its meeting held here on Thursday, has demanded immediate withdrawal of the amendments in the 1973 Constitution and urged its restoration in the original form.

The meeting, presided over by Chaudhry Mohammad Latif Randhawa, President of the Bar, in a unanimous resolution said that "the amendments announced by President Zia-ul-Haq were fatal for the country in fact a new Constitution has been promulgated which would ultimately lead the country into another constitutional crisis."

The resolution said that "the recent amendments in the 1973 Constitution has placed the country under the presidential system of the government which is apprehended to cause irreparable damage to the country."

It further added that President Gen. Zia-ul-Haq had no right whatsoever of drastically amending the 1973 Constitution which was unanimously approved and adopted by the truly representative members of the federating units.

The Bar questioned the locus standi of the newly formed National Assembly to make further amendments "when its own exist-

ence was inherently invalid and void under the 1973 Constitution, and National Assembly was incapable of rejecting or accepting these amendments."

Referring to the national security council constituted under the revival Order of the President, the Bar termed it as "direct intervention of armed forces and loophole to sabotage the civilian Government as and when it desired," thus rendering the Article 6 of the 1973 Constitution practically ineffective.

Condemning the amendments made for so-called balancing the powers of the President and Prime Minister the resolution said that "the Prime Minister has been rendered a puppet into the hands of the President as also the Chief Ministers into the hands of the Governors of the provinces. By tilting the balance completely in favour of the President the provincial autonomy has been practically nullified and reduced to the level of district administration.

The Bar said that if these amendments were not withdrawn immediately the lawyers community would be constrained to launch campaign against them.

CSO: 4600/351

PAKISTAN

JI TO MAINTAIN ASSEMBLY'S INDEPENDENCE, SAYS MEMBER-ELECT

Karachi DAWN in English 9 Mar 85 p 8

[Text]

KARACHI, March 8: The defunct Jamaat-i-Islami's parliamentary group, operating in close liaison with like-minded MNAs-elect, individually or collectively, will strive to keep intact the independent status of the National Assembly, Mr Muzaffar Ahmad Hashmi, MNA-elect, said here on Friday.

There can, according to him, be no two opinions about the fact that the nation's democratically-elected Assembly should function independently of any outside influences for the good of the people and the country.

Mr Hashmi, who is one of the two JI's MNAs-elect from Karachi (the other being Prof Mohammad Usman Ramz), told "Dawn" in an interview that his party believed that sovereignty resides with Allah Almighty for the good of the people, and not with the people.

Balancing the powers of the President and the Prime Minister should not mean completely tilting one pan of the scale," he said, adding that what has actually happened is that certain powers have been taken away from the Prime Minister and added to those of the President, thus tipping the scale in his favour.

Opposing the nomination of the Prime Minister and chief ministers, the JI leader said nowhere in the world are those who hold these august public offices selected rather

than elected.

Asked about his party's role on the floor of the House, Mr Muzaffar Ahmad Hashmi said it was two-fold — the setting up of a purified and dynamic Islamic social order, and the promotion of democratic institutions in the country.

"We will actively work to get support of like-minded members of the National and provincial assemblies, without any discrimination for the achievement of our objectives," he observed.

The JI, he claimed, has 13 members in the National Assembly, besides the support of one minority member, Mr Bashir Alam Bhatti of the National Labour Federation.

In the provincial assemblies, a total of 15 JI nominees have been elected — seven in Sind (six from Karachi and one, Mr Khuso, from Jacobabad), five in NWFP two in Punjab and one in Baluchistan. In addition, the JI has support of four MPAs-elect in Sind, three in Punjab, and two or three in the NWFP, Mr Hashmi added.

In conjunction with Prof Usman Ramz, MNA-elect, Mr Hashmi (who is the Chairman of the Divisional Coordination Committee) has been meeting such MPAs-elect from Sind who have worked with him in local bodies. The talks have mainly centred round the elections to the Senate, Mr Hashmi said.

PAKISTAN

IMPLICATIONS OF AMENDMENTS TO CONSTITUTION DISCUSSED

Karachi DAWN in English 12 Mar 85 pp 7, 9

[Article by Makhdoom Ali]

[Text]

THE number of people who turned out to vote in what many an observer described as essentially a "contest between loyalists" was larger than many had anticipated. This gave credibility to the process and brought to the National Assembly legislators not averse to participating in politics as defined by the regime. With elections thus concluded, it was widely believed that amendments to the Constitution would now be put on hold by the CMLA and left to the better judgment of the elected representatives of the people.

Such a decision would have been wise as well as beneficial in many ways. It would have restored public confidence in the regime's sincerity of commitment to participatory politics, enhanced the prestige of the legislature as an institution and given the legislators-elect an auspicious start on their new career and inducted them into national politics with an experience and opportunity in constitutional legislation. This, however, has not been done. Rather than risk trusting the legislature, the President once again fell back upon the powers conferred upon him by the Supreme Court — a subject of much controversy — and enacted fundamental and wide-ranging amendments in the 1973 Constitution.

Changing needs

There can be no cavil at the proposition that a constitution must continue to evolve in response to the changing times and needs of the people. But it is equally important to ensure that it is altered only after due deliberation, in conformity with the prescribed procedure, and never in a casual or careless fashion. A parliamentary debate, a threadbare discussion of the various pros and cons involved, would have elucidated the issues and improved our understanding of the implications.

This may appear to be semantic wrangling, a mere procedural objection, but let us not forget the maxim that the history of liberty has largely been the history of procedural safeguards. Besides, with the opening session of Parliament only a few weeks away, where was the need and necessity for the whole exercise to be rushed through by executive fiat? The only plausible explanation for this haste appears to be that, while, to bring these changes on the book, even under the old law, would have required the support of a predominant majority, these can now easily survive opposition even by a majority of the legislators.

While on the subject of procedure it is necessary to point out that these amendments have also amended the method of amending the Constitution. Now to bring about a change in the Basic Law a two-thirds majority will be required in both the National Assembly and the Senate (previously only a simple majority was needed in the Se-

nate), after which all the four Provincial Assemblies must vote in favour. In many a federal system the constituent units are involved in the amending procedure but nowhere is unanimity of these a requirement. Even the Constitution of the United States stipulates a vote by only three-quarters of the state legislatures. The 1973 Constitution as it stands now has thus been rendered almost impossible to amend; in the changed context, it is but subject to ossification. It also leads to the anomalous situation where a bare majority in any one Provincial Assembly will have the capacity to block an otherwise overwhelmingly favoured constitutional change.

Proceeding from the procedural to the substantive, the powers of the Prime Minister have been drastically curtailed to the advantage of the President. All this has ostensibly been done to strike a 'balance' between the powers of these two high functionaries but even a cursory reading of the provisions makes it amply clear that the P.M. has been left with very little to do. Theoretically, the President shall act on the advice of the Prime Minister but in reality it is the P.M. who is merely one out of the many presidential appointees, who "shall hold office during the pleasure of the President" and who, moreover, will not be in a position even to directly appoint his ministers.

Sweeping power

Despite protestations to the contrary, it is the President in whom has all executive authority been vested and by whom shall it be exercised. All major constitutional appointments, including that of Governors, are within the purview of his discretionary powers. The Governors in their turn will have virtually the same sweeping powers in the provinces as the President shall enjoy on the federal level. In order to make the control of the President filter down to the Provincial level and make it complete, he alone has the authority to determine the functions of a Governor. Besides this, the Governors must, before appointing a Chief Minister or dismissing a Cabinet or dissolving a Provincial Assembly,

seek the approval of the President. Not only is he the Supreme Commander of the Forces but also the Supreme Civil Authority both at the Federal and the provincial levels.

This is not all. A duty has been cast upon the P.M. to keep the President informed of all Cabinet decisions, to furnish such other information as the President may call for, and to submit for Cabinet decision, if so directed by the President, even those matters upon which he or anyone of his Cabinet colleagues has already reached a decision. The President is required to act on the advice of the Cabinet but the Cabinet in its turn shall be bound upon a direction by the President to reconsider any advice which it may have given to the latter.

Even these nominal advisory restraints, which a P.M. or Cabinet may exercise, shall not bind the President in spheres where his authority is derived directly from the Constitution. As this may give rise to controversy as to whether a power has been conferred upon the President or the Cabinet, it was necessary to make a provision arbitrament to resolve such disputes. This has been done — the President in exercise of his discretion shall be the sole and final judge in all such matters. In other words, the Constitution shall bear a meaning which the President may be pleased to read into it and no institution or individual shall have the right or authority to question this "interpretation" in any manner before any forum.

The President has got the further discretionary power of going over the heads of both the Cabinet and Parliament by calling a referendum — with or without the concurrence of the Prime Minister. How often will this de Gaullist technique be put to use remains to be seen.

In a parliamentary system of Government a Prime Minister enjoys wide powers and the justification for it is based on the principle of collective responsibility of the Cabinet to Parliament which in its turn is responsible to the people. Elections held at regular intervals provide adequate protection against abuse of power, for those who betray public confidence are usually rejected by the voters. This

doctrine has no place in a system where all important decisions are made by the President. The decision to include the Provincial Assemblies in the President's electorate is commendable but the basic fact remains that he will be primarily an executive functionary.

Experience and history of the Ghulam Muhammad and Ayub years convincingly demonstrate that a man at the apex of power, when cut off from the rough and tumble of parliamentary politics, gets isolated from both the people and the politicians. The natural inclination of one who is so placed is to distrust the politicians who desire a share in power and to look upon the bureaucrats as his natural allies. Such a state of affairs must be scrupulously avoided for when the elected representatives of the people are bypassed, the democratic tradition gets compromised. With the ascent of the bureaucrat, political institutions atrophy and the masses are alienated from the political processes. The whole idea of a durable political system is thus undermined.

For its life the National Assembly, too, has been made to depend upon the discretion of the President, which may be exercised *suo moto* or on advice received from the P.M. Whereas, on the one hand, it will help the President keep both the Cabinet and the Legislature on the leash, it will compel the lawmakers to adopt an obsequious attitude towards the Executive, on the other. In such circumstances it would be futile to expect that any one of these institutions will either have the capacity or courage to ever dare defy the President or, for that matter, even take an independent position on any important issue.

National Assembly

Another interesting change is that, under the 1973 Constitution, during the absence of the Prime Minister from the country, the senior-most Federal Minister officiating as such had no power to advise the dissolution of parliament; now he may do so. This particular stratagem could easily be made use of to manipulate

things behind the back of the Prime Minister and even engineer palace coups under the cloak of a new-found legality. How, one wonders, will this help governmental stability which after all is the avowed purpose behind these fundamental changes?

To keep the 'recalcitrants' in the new Parliament in line, a whole variety of very widely worded qualifications and disqualifications of members have been added to the old short list. To mention a few: he must be a man of good character, who abstains from major sins, performs the obligatory duties imposed by Islam, has knowledge of Islamic teachings, is not commonly known to violate Islamic Injunctions, is not opposed to the ideology and integrity of Pakistan and is sagacious, righteous, honest and Ammen.

Aside from the fact that it would take a long and strenuous search for finding such a human being, it is also apparent that it would be quite easy to disqualify and remove virtually any legislator under one or another of these catch-all clauses. Further, this tantamounts to a declaration that the criterion of culpability from now on is the associations or reputation of a man and not the actual commission of an offending act.

The amendments have also created a new institution — the National Security Council. It will advise the President on the need for proclaiming a state of emergency. Presumably because any constitutional entrenchment of the Armed Forces would have worked to the disadvantage of the all-powerful President, the NSC has been assigned a limited advisory role. In most democracies such advice attains legal validity only if approved by the Parliament but no such safe-

guard has been provided here. It, therefore, remains to be seen whether anyone will be in a position to ignore this body's advice, especially when it is backed by the man in charge of the garrison.

Another change is the enhancement of the period for the separation of the Judiciary from the Executive from five to fourteen years. Though to circumscribe freedom of expression a far-extending law of contempt has been built into the Constitution, the Judiciary's authority to provide effective relief against the exercise of arbitrary power remains fettered as before.

To develop roots in public confidence, what the Judiciary needed was a more meaningful role and effective powers to keep the Executive in check and not the authority to stifle lawyers and litigants.

In its present amended form the Constitution lacks the balance which the draftsmen of the amendments purportedly set out to achieve. All other institutions, when placed in comparison with the Presidency, pale into insignificance. This naturally leaves room for suspicion and does not inspire faith in the "democratic nature" of the political processes set in motion by the regime. Till such time that this confidence is won and the reality of political power made to correspond with claims and assertions, the dream of political stability and the hope of national integration will continue to be elusive. It is now for the regime to show that the political system it has envisaged is capable of meeting the demands made upon it, and make a beginning by withdrawing these amendments which are contrary to the expectations of the people and which are impossible for the Legislature to repeal in the changed circumstances.

PAKISTAN

WORLD BANK TEAM REVIEWS KARACHI'S WATER, SEWAGE PROJECTS

Karachi DAWN in English 12 Mar 85 p 8

[Text] Karachi, March 11--Various projects relating to water supply and sewerage were reviewed at a meeting of the visiting four-member World Bank Mission and the Managing Director Karachi Water and Sewerage Board, Mr Zakir Ali Khan, here on Monday.

The World Bank mission consisted of Mr Menchoff, Mr Silva, Mr Rotnar Evan and Mr Amanullah Malik.

The meeting reviewed in detail the projects included in the special development plan for Karachi.

These projects are water supply, sewerage, repair of Keenjhar-Gukko Canal, repair and rehabilitation of syphons 19 and 20 and expansion and renovation of treatment plants one and two.

The meeting which continued for about three hours took stock of the progress made so far and the results achieved and also discussed the future strategy.

The Managing Director, KWSB, gave a detailed account of the progress of these schemes, the overall situation about water supply and sewerage besides their utility and requirements for the city.

He hoped that after completion of these projects the problems relating to water supply and sewerage would be overcome.

After this appraisal meeting, the bank mission will now have detailed deliberations with the heads of various departments of KWSB.

KDA

Projects to be undertaken by the Karachi Development Authority under the special development programme for Karachi with the assistance of World Bank were discussed at a meeting held at the KDA Civic Centre here.

The Director General KDA, Mr Z.A. Nizami, presided.

The meeting was attended by the World Bank mission currently on a tour of Karachi to discuss the special development programme for Karachi.

During the meeting, programmes of mass transit system, construction of roads and bridges and the traffic development project of Traffic Engineering Bureau were discussed at length.

The meeting was attended among others by Mr S. Naim Ahmed, Director, Master Plan and Environmental Control Department; Mr M.Z. Islam, Director Traffic Engineering Bureau and Mr Mohammad Yousuf Siddiqui, Director, Engineering, Malir Bund Project, KDA.--APP

CSO: 3600/352

10 April 1985

PAKISTAN

ZIA-UL-HAQ ON ISLAMIZATION, DOMESTIC, FOREIGN ISSUES

Paris POLITIQUE INTERNATIONALE in French Winter 84/85 pp 7-28

[Interview with Zia-ul-Haq, president of the Islamic Republic of Pakistan, by Jean-Jacques Lafaye, former assistant-chief editor of LATITUDE, an international news magazine, and author of "L'Avenir de la Nostalgie" (a biography of Stefan Zweig), to be published: "Pakistan: the Sentinel of Islam?"; date and place not specified]

[Text] [Question] Mr President, are you irritated by the criticism directed against your regime by western media?

[Answer] No. I have always learned to show great understanding for the point of view of others. It is a fact that Europe is often critical of Pakistan. I understand that and I perceive the reasons for such an attitude. But we do have our own point of view. People imagine that Pakistan is an Islamic country where everybody wears a beard and carries a sword, and where all women are veiled, etc. But this picture is not accurate: ours is a very open society. Look at the people going to the mosque; they talk freely to one another! Look at the women; they are represented in all professional fields! The Pakistani society is not oppressed at all. Our press is as free as that of any other country.

[Question] Pakistan is an Islamic republic: how does it distinguish itself from all others?

[Answer] Pakistan is unique in several respects. Our country is only 37 years old; it won its freedom within the Indian subcontinent and was created in the name of Islam. Since we were a minority, our faith, our culture, our customs could not exist within a United India. At the time of independence, and at the cost of a major political battle, it was decided that Pakistan would become "something else." Remember: in 1947, the Israeli experiment had not started yet; discussions were still going on to know whether Palestine would or would not become Israel. To a certain extent, we can therefore say that the creation of Pakistan helped the creation of Israel a while later! These particular circumstances explain that Pakistan and Islam are one: if you take away Islam from Pakistan, the country will collapse like a house of cards; it will have lost its justification. It is this unique character that must be maintained, and also understood.

[Question] The way in which you came to power and the sentencing to death of prime minister Bhutto have made of this man a veritable martyr in the eyes of some westerners. What would you say on this? And how do you judge the activity of his children?

[Answer] Personally, we have nothing against his family as such. We have no grudge against anyone, no ill feelings. As for me--and my opponents themselves will acknowledge this--I am possessed with a rather generous heart and a great sense of compromise. This is why, I shall say it again, we have no grudge against anyone. It is true that I was the one who deposed the former prime minister, Mr Bhutto; but he was sentenced by Pakistani courts of justice, i.e. neither by me nor by military courts. And it was after a long legal and perfectly normal trial that he was sentenced to death. After more than ample evidence had been produced that he was implied in the murder of an opponent, the verdict was returned by the Lahore High Court and subsequently confirmed by the Supreme Court. He appealed for a new trial and his appeal was rejected. Since then, his family has had a grudge against me and claims that I had him hanged. But it does not matter, it is fair play.

Anyhow, we should mention that this is a family of very rich landowners; and these people are preaching socialism! Thus, we have rich socialists... It is to protect their wealth, to preserve a monopoly on their lands, that they are trying to retain their political influence. For various reasons, all members of the family have left the country of their own free will. However, if they come back and are not looking for a confrontation--for I intend Pakistani politics to remain a game of common sense, not a violent game--they are welcome; they can take part in any election, in any campaign.

[Question] How would account for Mr Bhutto's popularity?

[Answer] The former prime minister was a very capable man, there is no doubt about this. He was a brilliant politician, a very good speaker endowed with great organization qualities. The problem is that power went to his head. He went too far. From the prime minister of a country, you expect that he will be the protector of all, and in particular of the meek; not that he will have his opponents murdered. Yet, this is what happened. He was very popular and some slogans--Food for everybody, houses for everybody, clothes for everybody--have survived him. But his success rested on the fact that he did not try to give a sense of discipline to the people; he was very laxist and a small class of people derived considerable profit from this policy. In the last government, for instance, all development programs were entrusted to men belonging to the prime minister's party, and 90 percent of the money was going directly into their pockets. A few people became rich, but the country got poorer. There is a class of profiteers who plundered the government for five years and maybe still hope for a return of the good old times. But see how we behave today and judge for yourself.

[Question] What do you think of the theses put forth by Mr Bhutto's daughter?

[Answer] I think that the policy advocated by Ali Bhutto's daughter--to go and shake hands with Babrak Karmal, to send back the refugees, to make ad-

vances to the Soviet Union--does not make sense and would receive very little support if it were implemented.

[Question] Materially, what are the risks of destabilization that threaten Pakistan?

[Answer] Apart from the Soviet threat, the greatest danger for Pakistan is inner subversion, internal disorder. Such upheavals can occur only if forces hostile to the country manage to cause an uprising of a large part of the population against the government. Creating a climate of uncertainty, encouraging dissidence, exploding bombs, instigating chaos, scandals, plundering, all this is to be feared. Why did we lose East Pakistan, which has now become Bangladesh? Essentially, because the people rebelled against the central government. Of course, India intervened; but it did so only with nine divisions and after the fact. When the government is cut off from the people, then problems will arise.

[Question] If I understand you, your determination to return to a normal institutional situation is an ambition that is difficult to realize?

[Answer] Exactly; we must be very careful. In Pakistan, we have four provinces, which are quite different from your French provinces. Our country was cut out of the subcontinent as a region with a Muslim majority. But the inhabitants of the Northwest Frontier Province, for instance, are speaking a different language from that used in Punjab. Similarly, Baluchistan or the Sind province have their peculiarities. We must therefore work much harder to consolidate the country's unity, for if someone were just to fan these numerous hotbeds of diversity--whether language, culture or geography--disorder would immediately set in.

[Question] It has often been said that the Soviets were busy throwing oil on the fire, especially in Baluchistan...

[Answer] As for Baluchistan, I can tell you that the situation there is excellent today. Reporters are fond of saying, for instance, that the Soviets have managed to gain a foothold in the port of Gwadar, whose strategic importance cannot be denied. This is not true. Baluchistan at the start of this year 1985 is as peaceful a province as the others. Development goes on, the standard of living is improving and the people are not unhappy. Their patriotism is unquestionable.

[Question] Your Plan of 12 August 1983 announced a return to normal institutions and legislative elections by 23 March 1985. When you called for the referendum that just gave you another five years at the head of the country, what were you looking for exactly?

[Answer] My Plan of 12 August 1983 had not solved the presidential problem. And, surprisingly, I had not been asked many questions on the subject. At the time, we were not thinking of organizing a referendum. We had left this blank intentionally, so we could fill it in when the time would come. Now, we have a better idea of where we stand, since the recent referendum just invested me for five years. However, the referendum did not involve only

this issue. It also made it possible to take stock of a line of action and well-defined goals: the consolidation of Islamization and implementation of this Plan (in particular with respect to the transfer of power to elected representatives, assuming that elections take place as scheduled). Thus, the full process will be completed by 23 March.

[Question] You will probably not be content with being a president without powers... Will you alter the Constitution toward a "French-type" presidential regime?

[Answer] Personally, I like the French Constitution very much. However, our Constitution is creating a parliamentary regime in which the prime minister is the head of the executive. Our determination to restore the balance of the Constitution is obvious, but we shall always retain a parliamentary type of government. We want to return to the 1973 Constitution, while giving more power to the president so that, in times of crisis like those we experienced in July 1977, he can act: to dissolve Parliament, dismiss the prime minister, take over all powers, organize new elections and restore order in the country. Thus, we shall have constitutional safeguards. This is our goal.

[Question] In a way, through the threat they represent, the Soviets helped you strengthen the problematic unity of Pakistan...

[Answer] Yes, thanks to them, we are far more united than we were five years ago. At the time, I was administrator-in-chief of the martial law; we had problems in Baluchistan and elsewhere. Since the Soviet Union invaded Afghanistan, it has become a lot easier for us to unite.

[Question] In a rather threatening international environment, what are Pakistan's natural allies?

[Answer] They are easy to identify, I should say. First, Pakistan must have good relations with India. This is natural: you cannot be in a state of confrontation with a large neighbor. See China: our relations with Beijing are ideal.

[Question] Yet, it is a communist regime!

[Answer] Indeed, you have on the one hand an Islamic state and on the other a "purebred" communist government; but we live in good intelligence--and I believe that China should take most of the credit for it, for it is always the larger country that must know how to help the smaller. This is why we keep telling India: look, you have several smaller countries around you: Nepal, Bhutan, Bangladesh, Ceylon, Burma and Pakistan. Where is the threat to India's security? Caught as it is between the Soviet Union, India and China, Pakistan may entertain natural fears; but as for India, it has nothing to be afraid of! Now, to come back to your question, all you have to do is look at a simple map: you can see that Pakistan is a rear-post of the Gulf and therefore of any Muslim state. Thus, there is a natural filiation in this direction: Iran, countries in the Near East, are our neighbors...

[Question] Are your ties with China close enough to prompt Peking to fight on your side should the Soviets try something in Pakistan?

[Answer] We have not signed a security treaty with China. But we know full well that if 85 million Pakistani cannot manage alone to protect the soil of Pakistan, the Chinese will certainly lend them a hand. China is helping us economically, morally, strategically, militarily. Most of our military equipment is of Chinese rather than of U.S. origin, and you may be surprised to know that it was given to us for free. If we were to put a dollar figure on this aid, we would have to count in billions. I will tell you frankly, such goodwill has no price. The Chinese have also set up factories here; they are actually helping Pakistan "stand up" and we are very grateful to them for it.

[Question] Communist penetration in Islamic land is a major concern of western strategists. In your opinion, are Islam and Communism incompatible?

[Answer] The problem you are mentioning is not specific to Islam. You could raise the same question for Christianity. What is the difference between Communism and the rest of the world? It lies in faith. You believe in Christ, in God; I believe in Christ, in God and in the Prophet Muhammad. For me, the conflict is not between Islam and communism, but between communist and everything else. When Mrs Thatcher came here, I took her to the Khyber pass; she approached the Afghan border and said: "Over there, it is a godless society; we shall never support them!" I think she is a very courageous woman. This being said, let's look at facts. The Soviet Union is maintaining the best possible relations with Libya, Syria, Algeria, which are Muslim countries. Pakistan, which is endowed with a vigorous Islamic ideology, has excellent relations with communist China. This is why I do not think that religion could be a source of conflict. Relations between countries are governed by their own best interest. The world is not perfect.

[Question] It has often been said that the Soviet Union feared a destabilization of its Muslim republics...

[Answer] We think so too; this is one of the reasons that the Soviets invaded Afghanistan, there is no doubt about it. They wanted to strengthen their "soft belly" in the south, to put a stop to the resurgence of Islam in Pakistan, to protect themselves against revolutionary Islam in Iran and to occupy Afghanistan for obvious strategic reasons. Let me remind you that Peter the Great already wanted to gain access to the warm seas!

[Question] Will you never recognize Babrak Karmal's pro-Soviet regime in Afghanistan?

[Answer] I hope not. Immediately after the Soviet invasion, a meeting of the ministers of foreign affairs of Islamic countries took place here, in Islamabad, in February 1980. It was decided that all Muslim countries would refuse to recognize Karmal's regime, that no government would be allowed to maintain diplomatic relations with it on an individual basis, and that we would act jointly through the United Nations. Morally, we are therefore bound by these resolutions. But for us, who are Afghanistan's neighbors, it

is a still far more personal question: how could we recognize a man who came to power on Soviet tanks?

[Question] We know that Soviet-Afghan fighter forces are tracking down Afghan rebels in Pakistan, in the tribal zones extending along the border: what is your reaction to these exactions?

[Answer] It is not that important. We could intercept their airplanes when they violate our territory. But they only penetrate a few kilometers from the border and then turn back. By the time the radars have localized them and our planes are ready, they are already gone and we do not want to pursue them in their sector. As far as land operations are concerned, we can retaliate, but we do not. Actually, we believe that the slightest retaliation on our part could affect the local populations. We are telling ourselves: the Soviets are crushing the Afghan people; one third of these have found refuge in our country; why should we further increase their distress by risking to bomb them? It is a deliberate decision on our part. It is our policy.

[Question] Do you not fear a massive attack?

[Answer] They can't do it. And where they could, we would see them coming and would know how to welcome them!

[Question] What are your present relations with the Soviet Union?

[Answer] There again, it is a narrow road. We are denouncing the occupation of Afghanistan, but otherwise our relations with Moscow are very good. In fact, they have even improved.

[Question] The unfathomable East?

[Answer] Yes, the unfathomable East. Our economic relations have developed: more delegations, more trade, a very large steelplant which is one of the successes of Soviet-Pakistani collaboration. Of course, they are sometimes nasty and will twist our arm here or there; but, generally speaking, there is no problem. They can sell us tractors, buy clothes from us...

[Question] Pakistan's hospitality to over three millions of Afghan refugees is remarkable in more than one respect. But apart from its humanitarian aspect, what is the purpose of this generosity?

[Answer] I shall be very frank with you. Afghanistan has never been occupied by a foreign power before. Great-Britain, although it was a superpower at the time, tried three times, in vain: it was always through what is now Pakistan that foreign armies crossed to go to India. I think that this will never occur again, unless the Soviets manage to do it this time; but the Afghans will fight to the last man for their freedom. Our present effort, therefore consists in helping old people, women, children, and the men who want to leave and emigrate to Pakistan; to help those who refuse servitude and the "pax sovietica." I would even go further and say that the Afghan people is not just fighting its own battle: it is also fighting mine. This is the "spirit" in which we see the situation of Afghanistan today. The Afghans are welcome, they are at home here.

The rebellion has done an extraordinary, an excellent job; it has done more than anybody could have hoped for. And the Soviets are surprised, for they never thought it capable of it.

[Question] Through this struggle, are we not witnessing the birth of a nation?

[Answer] Absolutely. It is quite impressive.

[Question] Are Afghan communists trying to infiltrate the refugee camps set up in your country? Also, is the Pakistani people resolutely supporting your Afghan policy? Three millions of refugees, that is a burden!

[Answer] As far as infiltrating agents are concerned, we have an organization that controls newly arrived refugees. As you know, they belong to tribes whose members all know one another. Those who do not belong are therefore easy to identify. We have arrested thousands of them. On the question of Afghanistan, no Pakistani expected another policy from me. I must admit that there are a few signs of dissent in the two provinces that have received the largest number of refugees; but, really, you should not attach too much importance to it. In this respect, we are lucky...

[Question] Do you think that the question of Afghanistan can be solved by the superpowers?

[Answer] I believe that, in the future, there should be no confrontation between the Soviet Union and Afghanistan. My efforts tend to this goal. But America is not going to declare war to the USSR over Afghanistan: as you know, their zones of influence are well defined. At any rate, the extreme point, the border where to stop is Pakistan; and, in this respect, we are sure of the United States' support.

[Question] To solve the Afghanistan crisis, you seem to count on the United Nations although they have never managed to bring any situation under control...

[Answer] I admit that. Yet, nothing else will work. In Geneva, we are making progress in negotiations. This is why I am optimistic, even if this surprises you. The Soviets have indicated that they might withdraw their troops in exchange for certain guarantees. We have therefore tried to find out if, in addition to countries in the region, the five permanent members of the Security Council were capable of offering guarantees acceptable to the Soviet Union. It is a great progress: without these negotiations, nothing would have advanced. Today, we know that new conversations will take place in Geneva, in February; then, let's us prepare them! Especially since, before each negotiation, the Soviets will act up again...

[Question] The U.S. Congress announced with much fanfare that it was doubling its aid to the Afghan rebels. But weapons can be shipped to them only through Pakistan...

[Answer] We told that to the United States: "You make life more difficult for yourself and for us! Is it written in the Holy Bible that any doubling

of aid to the Afghans must be announced publicly?" It is stupid. We told the Soviets: "Talk to the United States, we have nothing to do with that." Our official position is that Pakistan is not and shall not become a thoroughfare. And if sometimes we close our eyes, if we let things be done, it is no reason—I will say that again—for the United States of America to announce to the whole world that they are doubling their aid to Afghan rebels!

[Question] But you do know that western democrats like to know everything, which makes the art of government more difficult for them...

[Answer] Indeed. But governing requires a minimum of secrecy, confidentiality. Countries are bound by certain agreements; you cannot publish just anything!

[Question] How do you assess the U.S. policy in the region in recent years?

[Answer] I believe that the United States have vital interests in Southeast Asia--and therefore in Pakistan--but especially in Gulf countries: in Saudi Arabia, in Kuwait... Iran became the mainstay of their strategy in the region at the time when Dr Kissinger advocated the creation of friendly local military powers. This choice proved rather unfortunate. It is also their best interest to have the best possible relations with India. They could not do that either. In any case, America is a good ally for us. And vice versa.

[Question] Were U.S.-Pakistani relations as good under the presidency of Jimmy Carter?

[Answer] For a long time already, these relations have had their ups and downs. I do not know whether this phenomenon should be accounted for by historical or purely fortuitous reasons, but I note that Pakistan has always had good relations with the United States when the latter had a republican government... The reelection of President Reagan was to be expected, but he was duly reelected and we rejoiced.

[Question] How do you judge Reagan the man? Europe ran him down a lot during the first few years...

[Answer] I met him just once, but I found him very eloquent and full of common sense, very realistic. Contrary to many Americans, he has a warm personality. We had a good contact and we were quick in settling our business, without any problems. I could sign the military sales and economic assistance programs we wanted. Maybe he will come to Pakistan some day; at any rate, he expressed the desire to do so. Vice-President Bush came over, as well as Secretary of State George Shultz. President Johnson is the only president to have visited Pakistan. Richard Nixon had come while he was vice-president.

[Question] Since the Iranian revolution, have the United States progressed in their understanding of the East?

[Answer] They have a very good knowledge of these questions. They have drawn the lessons of their past mistakes and I believe that today they are doing rather well.

[Question] Pakistan is one of the leading recipients of U.S. "aid to security." Rumor has it that this aid was granted in exchange for Islamabad's giving up certain nuclear programs: would you comment on this?

[Answer] First, I would like to point out that we are paying for the equipment we are receiving, down to the last cent, plus interests. The United States are doing us a good turn and we are very grateful for these supplies. For the rest, you will be rather surprised. When we started negotiating, I told the Americans: "There are two things that are not negotiable: our nuclear program on the one hand, and our system of government on the other. Martial law or elected government, that is nobody's business but ours; it is our business, and we shall take care of it ourselves." They accepted this principle, with the exception of the nuclear question which is still an issue, as you can see from the Cranston and Glenn amendments... Every time, we presented our point of view. Pakistan possesses nuclear facilities but, compared to other countries, our program is just a modest research program for peaceful purposes. We are enriching uranium for the day when we shall have a power plant to use it. We possess a nuclear power plant in Karachi, which was given to us by Canada in 1962. In 1976, following rumors according to which Pakistan wanted to get a bomb, the Canadians unilaterally stopped supplying us with enriched uranium. It took us eight years to succeed in producing the energy required for this power plant. But this operation is under full surveillance, by the International Atomic Energy Agency.

[Question] Why did you refuse to sign the Nuclear Non-Proliferation Treaty?

[Answer] We do not want to be the object of discrimination. India has three reprocessing plants; it has already exploded one device and we know that it possesses a few nuclear weapons. The great powers did not succeed in making India sign, no more than South Africa, or Israel, or Mexico; then, why Pakistan?

[Question] You could set an example?

[Answer] Yes, I realize that. And I proposed the following: if India is ready to sign, I shall accept to sign before she does.

[Question] One innocent-sounding question: in recent years, we have witnessed a powerful rearmament of Pakistan. To what end?

[Answer] Each country's behavior is dictated by its history, unless conditions are altered. For instance, France and Germany were at war for close to a century, and 50 years ago no one could have imagined that the two countries would go hand in hand in the European Economic Community. Mrs Thatcher is going to Paris and President Mitterrand to London, although the two countries were at daggers drawn with each other a long time ago. Pakistani history goes back only 37 years: during that time, we had military confrontations with India on three occasions, and our country was partitioned. Pakistan today is no longer the Pakistan of 1947. It has been reduced by half; the other half is another country, a Muslim country to which we wish the best, toward which we are full of goodwill, but our partition remains a fact. We still believe that such an experience could occur again. This is why we remain vigilant.

Apart from that, when we consider Peter the Great's determination to give Russia access to the warm seas, when we consider that 150,000 Soviet troops are now in Afghanistan, that makes us think twice! Is Pakistan not located between Afghanistan and the warm seas? Is there not already some talk of a future dismemberment of Pakistan?... All these reasons explain why it is essential for us to have adequate military strength to ensure our own defense. For this, we have procured weapons from abroad since we do not have the capacity to produce them ourselves. But we do not have any offensive strength. Look at Pakistan on the one hand and India on the other hand, with its 650 million inhabitants: that we should represent a threat to India is pure fiction. It does not make sense!

[Question] What is the present status of the "clarification" process started with India over one year ago?

[Answer] In the past seven years, I have been negotiating personally with the three governments that succeeded one another in India: those of Mr Desai, Mrs Gandhi and the new prime minister. We made constant progress. At first, Mrs Gandhi expressed many reservations but, in the end, she too was ready to shake hands and we created a ministerial commission, developed mutual cooperation and formed the South Asia Regional Cooperation Group.

The late 1984 election period, it is true, brought back certain warlike clouds, certain rumors concerning domestic troubles, vague attempts at military operations on our part: all this, let me say it again, has to do with Indian domestic politics.

[Question] What do you think of Rajiv Gandhi? Would you say that his youth in politics is an asset?

[Answer] I found him very intelligent, capable, enthusiastic, sincere, very much a gentleman. He should be praised for having been a pilot all his life and, during the past four years, getting his training in politics under the aegis of his mother, to end up becoming prime minister of India. It is admirable, I think. We have had quite frank in-depth discussions and we hope that this spirit will continue to prevail in the future.

[Question] Is it not in the two country's best interest to be politically stable?

[Answer] Absolutely. An unstable India is not in our best interest. It is good for us that India should have a firm and strong government. Troubles in India always have repercussions in Pakistan, since we are neighbors. This is why we hope they will overcome the Sikh problem in Punjab.

[Question] There was a rumor that you were encouraging the Sikh rebellion. Is there any basis to this accusation?

[Answer] Honestly, that is not true; it pure and simple fabrication. The rumor arose because the Sikhs have their place of pilgrimage here, in Pakistan; they come here four times a year. We cannot prevent them from

doing so. I told India: "If you don't want them to come, don't let them leave; but once you have allowed them to leave, don't expect me to drive them back!" We must welcome them; we have a moral duty to do so. But, apart from that, I think Pakistan should not be considered as an irresponsible country that would take advantage of the situation in India and meddle in that country's domestic affairs. This is not our policy.

[Question] A non-aggression pact was being discussed with India: why is it that this project is progressing so slowly?

[Answer] Because Mrs Gandhi did not want it. I was the one who had made the offer. I was ready to sign that non-aggression pact. She offered a "treaty of friendship and cooperation"; we said: "We shall accept it if you change the name." She asked why. And I said: "Because that is exactly the name of the treaty that binds you to the Soviet Union." Finally, a new version merging the two proposals was prepared, but India cancelled the meeting... We hope to be able to discuss it at the next meeting, whenever that shall be.

[Question] Do you seriously fear an Indian attack against your nuclear facilities?

[Answer] The Indians we approached obviously denied having such intentions. But they have the capacity for such an attack--which, for us, represents an objective threat.

[Question] How do you see the future of the Indian Ocean, which has become a stakes for which all powers in the region and all great powers are competing?

[Answer] The Indian ocean is literally crawling with the navies of the two superpowers. Each is trying to move its pawns forward, to find new bases; after Seychelles, Oman, Diego Garcia, Somalia... No sooner does one of the powers lose a position than the other takes it. The British Navy is on the side of the Americans: the Chinese are on their own, but they are also siding with the United States. What I wish is that the region should remain a zone of peace; this is why it should be declared a neutral zone. No one should operate there, except for bordering countries. The Indian Ocean should also be denuclearized.

[Question] How would you explain the Iranian revolution?

[Answer] I would first say a few words about the Shah, whom I knew personally. He was an outstanding man, and if the policy he followed did not work, at least he did his best. I keep telling the Iranians they should thank their lucky star. For if they can still resist Irak after five years of war, they owe it primarily to the Shah. The Shah thought he could create a military power that would be the hub of the region. The Americans helped him. But you cannot create a military power artificially, without resources of your own.

In addition, with the best intentions--he was indeed a good-hearted man--he engaged in the implementation of a program of very heavy and maybe excessively rapid development. There was too big a gap between those who profited by this upheaval and the others; and this is what divided the nation itself. Iran is an Islamic country and the Shah was a Muslim; but that did not prevent him from carrying out a secular policy, knowing perfectly well that his people was not secular by nature. Under these circumstances, the appearance of a key figure like Imam Khomeyni was enough to trigger the revolution.

In spite of all that, I believe that one should not blindly associate Khomeyni's Iran with Islam: at present, Iran is going through a revolution which is a national revolution although it is related to the philosophy of Islam. When a revolution is taking place, the people who are making it are not in a normal state. They are atypical, abnormal individuals who usually remain so until the revolution has played a part. Today, you can see the emergence of a few signs of common sense. Iran no longer talks about exporting religion or rejecting "East and West alike." The regime is progressively giving up its erring ways.

[Question] The war between Iran and Irak is dragging on. What would it take to make it stop?

[Answer] Nothing until now points to an end of this madmen's game, unless the two parties make such a decision, which does not seem to be the case. Irak is more open to negotiation. Iran, however, wants the war to go on.

Actually, peace could come from a decision of Imam Khomeyni himself (if he wants to!). But if he should die tomorrow without having made any decision in this respect, I am afraid that his successor will find it still much harder to start the peace process.

[Question] What do you think of Israeli aid to Iran?

[Answer] That is what rumors say. Actually, there is nothing to confirm that Iran is purchasing military hardware and equipment from Israel. Under the Shah, Israel had considerable positive influence in Iran; then, maybe that former ties... But if there is any aid, it is certainly through a third country.

[Question] Let's talk about the Palestinian problem. The PLO Charter still provides for the physical elimination of Israel: do you believe that this article will be abrogated some day and that serious negotiations will finally become possible?

[Answer] This is exactly what I am hoping for. Pakistan has always supported the Palestinian cause, even before it became an independent state. In 1945, 1946, our leaders Jinnah and Liaqat Ali Khan formed a provisional government, and from that time on we have supported the Palestinian cause. But we believe that it is no longer possible to throw the Israeli back into the sea. A dialogue must therefore be started to arrive at an arrangement acceptable

to both parties. In my opinion, Israel should evacuate the West Bank of the Jordan and rehabilitate the Palestinians. One of several solutions could be to create a confederation between Jordan and the West Bank Palestinians. This has always been my own point of view.

[Question] Are you trying to encourage this process?

[Answer] We are encouraging it without being directly involved. What we are giving to the Palestinians is essentially moral support. I have often talked with Yasir Arafat. In my opinion--which is also his--if he agrees to certain provisions of the Fahd Plan and certain conditions of the Reagan Plan, if he is somewhat flexible, he can obtain the most. But he is not entirely free in his action...

[Question] Do you not believe that a Palestinian State might well become a sort of "hand" of the USSR in the heart of the Near East?

[Answer] Things are not quite as simple as people think. On the one hand, the Russians are supporting the Palestinians. But, on the other hand, there are many Russian Jews in Israel. I do not mean that they are pro-Soviet; but they have some influence in Israel itself and, as I see it, they are "tentacles" of the USSR...

Apparently, Moscow is supporting Syria, Libya, the PLO and Algeria: all the anti-Israeli forces in the Arab world. But, on the other hand, the Kremlin is supporting Israel on certain issues. Do not forget that.

[Question] As a Muslim, do you still see Islam as a single whole, in spite of its division?

[Answer] It is my faith. Islam does not need geographic borders; Islam is a brotherhood, a community (umma). A Muslim living in the United States and a Muslim living in Pakistan are brothers. Naturally, we expect the Muslim American to be more loyal to his country; apart from that, as brothers and believers in the same faith, we are just One. This does not mean that our strength is directed against anyone else. It simply represents an additional power of the Muslim world, but one that should not be evaluated in terms of confrontation.

[Question] Your referendum announced an intensification of Pakistan's Islamization: will such an ambition not arouse some fears?

[Answer] No, no concern is warranted because people know who I am and what Pakistan is. We believe that Islam is not an inflexible religion: it does not justify the monopoly of the mullahs. Islam, as I see it, is a very dynamic faith that does not define society once and for all. Society must adapt itself to the demands of modern times. Islam must be able to absorb all future concepts of modernization of life, and I believe that it is open enough to do that, without for all that renouncing the strength of its principle.

[Question] What about the holy war? The "jihad"?

[Answer] The jihad is not directed against the West; war is holy when what is at stake is the defense of one's country or the defense of Islam. If the Soviet Union were to attack Pakistan from Afghanistan, that would not be the holy war of Pakistan against the communists, but the war of all Islam.

Our strength resides in our faith. It is our faith that gives us, Pakistani, our moral and physical "spirits." Obviously, we must give a material form to this faith: we must organize a military power, train a people's army, etc. What I am sure of, at any rate, is that if a war started tomorrow, the army we would have at our disposal would be resolute, numerous and ready to fight.

[Question] What form can your action take among the non-aligned?

[Answer] Non-alignment means independence of mind and, first of all, a joint effort to develop the poorest countries. Basically, it implies the absence of political and ideological confrontation with the East or the West and, obviously, the absence of any military confrontation. To be non-aligned means that we give up everything else and devote ourselves entirely to our own affairs. It is also based on this relatively resilient conception that India gained acceptance for its treaty of friendship and cooperation with the USSR! Practically all Muslim countries, except for Turkey, belong to the non-aligned movement; yet, each of them is somewhat dependent either on the United States or on the Soviet Union. Has it not been said that there are actually only two non-aligned countries: America and the USSR?

[Question] Let's come back to the problem of development. Is America, with which you are maintaining close and multifarious relations, helping your country industrialize?

[Answer] You know, since they are industrialized themselves, the United States prefer to export their own products. They would not like Pakistan to have too many factories. Apart from that, they still have established a few pharmaceutical plants and factories in our country. Many industrial projects are still in the study stage. Our cooperation has not really started and the process will probably take a long time. Especially as the United States do not have a public sector: everything is in the hands of private firms which want to be 200 percent sure of the stability of the country in which they are investing. From this point of view, we can say that the Soviets bear a great responsibility for the small amount of U.S. investments in Pakistan!

[Question] Would you say that there exists an irreducible antagonism between rich and poor countries?

[Answer] No. I even believe that western countries are not responsible for the fact that developing countries are lagging behind. You cannot claim what you do not deserve! I believe that, since they started making a greater effort, these developing countries are more justified in demanding more effective cooperation from rich countries.

[Question] What is your opinion of French diplomatic action in the region?

[Answer] I believe that President Mitterrand is truly a leader with world stature, and a very competent statesman. We have been constantly in touch for over three years. He shows real understanding of world problems in general, and of the problems of our region in particular. His approach to these questions is the most pragmatic I have ever seen. His sense of timing, his judgment are perfect. See how he got involved in Chad. What is Chad? A piece of the desert with a few mud huts; all the same, France owed it to herself not to leave Chad isolated, and this is why we appreciated that French troops were sent on location.

That was a message to Libya and Colonel Qadhafi: "You are looking for trouble? You've got it!"

There, there are problems now: the French troops are withdrawing while the Libyans are staying and acting up to get attention. But I am sure that when he met with Colonel Qadhafi in Crete, President Mitterrand gave him a proper warning.

There are other examples of French firmness: especially toward the Soviet Union. As for France's position on Afghanistan--not to mention the moral and political support it gave us in this case--I am delighted by it. For all this, we are very grateful to President Mitterrand.

[Question] What did you think of the euromissile deployment in Europe?

[Answer] We thought that this initiative was just and courageous. It was the right thing to do, and it was done at the right time.

[Question] In spite of the threats they made before the deployment, the Soviets did not react...

[Answer] No, they are not that stupid...

[Question] In your opinion, is democracy a system that is valid for all countries, all times and all circumstances?

[Answer] No. The concept must be adapted to the country's needs. You cannot impose an identical system to the whole world, as if it were a straightjacket.

In Pakistan, I adopted a new terminology: I am not speaking of democracy, but of "shooracracy." "Shoora," in the Islamic concept of government, means council, cooperation, collaboration. "Democracy" means power to the people. For Islam, "shooracracy" means exactly the same thing but with that difference that power should not be granted indiscriminately to all.

The difference between your concept of modern democracy and our Islamic concept finds its source in the political context. In France, the rate of literacy is practically 100 percent: under these conditions, why not allow each citizen to exert his right to vote? In Pakistan, on the other hand, the rate of literacy is only 27 percent: if you give the right to vote to all,

it will not work! Take an illiterate poor: he can neither read nor write; and you would expect him to be capable of supporting a candidate based on the candidate's program! It does not make sense.

Apart from that, generally speaking, I believe that democracy--when it is handled intelligently--is preferable to autocracy or dictatorship.

[Question] Do you have a message for people in the West who, as I mentioned at the beginning of this interview, have been treating you harshly for years and are giving you a bad name?

[Answer] Their criticism is in most cases the result of a lack of information. I always ask my European and American friends not to forget that they belong to a highly developed society that is different from ours. If you see us through the eyes of a Frenchman, you cannot have an accurate picture of what we are. We highly appreciate the criticism directed at us, for it is sincere; but allow me to express once again the following request: before pointing the finger at us, consider conditions in Pakistan and judge us according to what we are and not according to what you are or what you would want us to become.

[Question] How would you like to be remembered some day?

[Answer] I have often thought about it. If people could say: "There was a man known as Zia-ul-Haq, who was a humble and modest servant of Islam in Pakistan," I believe there is nothing more I would ask for.

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10 April 1985

PAKISTAN

CONSTITUTIONAL AMENDMENTS: PROBABLE IMPACT ANALYZED

Islamabad THE MUSLIM in English 9 Mar 85 p 4

[Article by Khalid Akhtar]

[Text]

Much has been said in favour of and against the constitutional amendments recently announced by President Ziaul Haq. The Government's version has been that it had to affect changes in the Constitution to restore democratic order and give stability to the country's political system. It is to be seen whether these objectives are ultimately achieved.

It was the confrontation between the PPP regime and the PNA which led to the imposition of Martial Law. Today the situation may appear to be vastly improved but none can deny that the element of confrontation remains. In 1977 it was the PPP Government versus PNA. Today it is the Martial Law regime versus the MRD. It could be argued that without eliminating the causes of the 1977 Martial Law no amount of constitutional amendment can bring about any significant transformation in the political scene. Some may say that with above 50 per cent turnout of voters in the election the MRD has been neutralised. But this could turn out to be wishful thinking. The Government's decision to continue with Martial Law even after the elected assemblies start functioning is an admission of the fact that the MRD remains a factor in national politics. The Government hopes to overcome resistance gradually (partyless polls and subsequent amendments are aimed at achieving the desired results) and this

explains its strategy of lifting Martial Law in phases. But here the experience of the past eight years hardly generates feelings of optimism. As a matter of fact a look at the barometer showing opposition to the regime gives a dismal reading from the Government point of view.

It will be interesting to see how the assemblies function in the new setup and under the umbrella of Martial Law. Would they be assertive enough to inspire confidence in the masses? An elected institution cannot afford to remain docile. If it does so, it will die its own death. This aspect of the situation will have to be kept in view both by the regime and the newly elected assemblies. But a more important question is how a lively assembly (if it turns out to be one) will find accommodation with the rigid and uncompromising requirements of Martial Law rule. This anomaly in the situation could put the new system to a severe test any time. In any case it is not an enviable precedent to seek nourishment of democratic institutions under the shadow of Martial Law.

NEW LEADERSHIP

Much is being made of the prospects of a new leadership emerging from the new assemblies. Some have gone to the extent of saying that it will mean the end of leaders like Nasrullah, Jatoi, Bizenjos and Walis. In this respect the pundits have quoted the elections of 1962 which saw the emergence of new leaders like the late

Bhutto, Mufti Mahmood and Mujibur Rehman. But what is being forgotten is the fact that it was the new leadership which in the end reacted most strongly against Ayub Khan's highly centralised system. The 1965 elections may signal, as the Government quarters think, the elimination of Jatois and Bizenjos. But it will be a great error to think that their exit will make any material change in the situation. The new leadership in this case may also in the end prove more dynamic than Jatois and Bizenjos.

Now coming to the amendments, on surface it appears that the National Assembly and its leader, the Prime Minister, have been deprived of most of the powers that the two usually enjoy under a parliamentary system - in each case their powers having passed on to the President. How things work out in practice remains to be seen.

The most significant amendment is the one 'balancing' the powers between the President and the Prime Minister. Now there is a widespread impression that had the President been vested with more powers under the 1973 Constitution the 1977 crisis could have been averted. This is highly misleading. It was the PNA and the PPP who, while fighting for supremacy, did not always keep in mind the limitations of a Constitution only installed four years back and still needing necessary nourishment to stand up to the demands of a democratic rule. Even if the late Ch.

Fazal Elahi, the President, had been vested with more powers he would not have found it possible to either by-pass the PNA or the PPP, the party in power. It is worth noting that the Indian President (who enjoys slightly more authority than our President had under the 1973 Constitution) could not stop the imposition of emergency rule by the late Indira Gandhi. And few had any doubts in India (including the President) that emergency rule was an unconstitutional practice. This only shows that in a parliamentary system of government the role of the President everywhere has remained a severely limited one. And finally even if the argument is accepted that it was the enormous powers given to Premier Bhutto that resulted in the instability of 1977, how could it be assumed that the unprecedented power now vested with the President, would produce different results?

NSC

And now a few words about the National Security Council. In a normal situation this institution will certainly have a limited role to play. But this is not true in our case. Given to instability as we are (it is now well over eight years that we are living under Martial Law and there is no hope of any dramatic change in the situation in the immediate future) the National Security Council, with powers to declare a state of emergency or take other exceptional

measures to deal with any 'abnormal' situation, could turn out to be a most powerful institution.

Any such eventuality would only further complicate the political scene. Furthermore, a future civilian President may find it difficult to establish a working equation with the 'Khaki' dominated National Security Council.

MASSIVE AMENDMENTS

Many are of the view that after the massive amendments - far exceeding the scope originally indicated - the 1973 Constitution exists no more. The Government must prove it otherwise. Its failure to do so would create many problems - autonomy issue being the most frightening of all. The provinces would certainly not like their candidate for the post of Chief Minister to necessarily carry the approval of the President. This could generate feelings in the provinces that they are not trusted by the Centre and this could become another irritant in centre-provinces relationship.

Finally the amendments do not appear to have straightened out the constitutional course. One great lesson of history has again been overlooked. In the final analysis it will not be the regime's control over the institutions which will ensure stability, but the people's love, regard and respect for those institutions.

10 April 1985

PAKISTAN

BRIEFS

IRAN TO FENCE BORDER--Quetta, March 8--Iran would erect fence along the border with Pakistan and Afghanistan and as a first step 5-kilometre barbed wires fence has already been constructed at Taftan. According to reliable sources, the Iranian authorities have initiated this plan with a view to check smuggling and infiltration of saboteurs in their country. The fence, 8-feet high, would be installed in two parallel rows with a gap of 6-feet so that no one could pass through it. On Pakistan's border this fence will be installed from Taftan to Mand and on Afghanistan side it would cover the Hirat province of Afghanistan. Besides, new check posts at each 5-kilometre distance will also be opened on those borders and security staff would be posted with modern weaponry, the sources added. [Text] [Islamabad THE MUSLIM in English 9 Mar 85 p 1]

CHAINS ON POLITICAL PRISONERS--Multan, March 8--The defunct Pakistan People's Party has expressed its concern on putting political prisoners in fetters and demanded their immediate release. Addressing a reception hosted in honour of the recently released party workers, Nawab Ahmed Bakhsh Thaheem, Malik Altaf Ali Khokhar, the speakers, including M.A. Gouheer, Syed Sher Alam, Ahmed Bakhsh Thaheem, Naik Mohammad Zahir and Malik Altaf Ali, bitterly criticised the amendments in the Constitution by President Zia to make himself more stronger than the Chief Martial Law Administrator. Meanwhile, more than 60 members of the District Bar Association, Multan, have vehemently condemned the amendments in the Bar Councils and Legal Practitioners Act and described it as an attack on the independence and liberties of lawyers. They appealed to their colleagues to boycott the courts on March 10 and to hoist a black flag atop the Bar room, a protest march in the city on March 12 and to observe hunger strike from March 16 to press the government for withdrawal of these amendments. No justification: There was no justification for keeping the political leaders and workers in detention after completion of the election process in the country. This was stated here by the Senior Vice-President of the defunct provincial PDP, Khawaja Mohammad Shafiq, City President Shaikh Mohammad Aslam and Hakim Mehmood Khan in their joint statement. They said that all detenus should be released immediately. [Text] [Islamabad THE MUSLIM in English 9 Mar 85 p 6]

JAMAAT GROUP IN SIND ASSEMBLY--Karachi, March 11--The defunct Jamaat-i-Islami's group in Sind Provincial Assembly was named "Qaumi Ittehad Group" at a meeting of the "like-minded" MPAs-elect here on Monday. Its leader, Mr Naimatullah Khan, advocate, claimed after the meeting that the group, which comprises of nine members, was the "largest" Assembly group from Karachi. Mr Naimatullah said he expected further additions to the group. Explaining its objectives, he said the group will work for the solution of problems of the people of Sind in the light of Islamic teachings. Mr Naimatullah said the group had been in touch with other MPAs-elect in connection with Senate election. Those who attended meeting were Dr Athar Qureshi, Maulana Alhaj Mohammad Zakaria, Chaudhri Abdul Majeed, Mr Bashir Alam Bhatti, Mr Abbas Ba-Wazir, Mr Akhlaq Ahmad, Mr Ghulam Hussain Baluch and Mr Mohammad Aslam Mujahid. Mr Muzaffar Ahmad Hasmi, an MNA-elect, was also present. [Text] [Karachi DAWN in English 12 Mar 85 p 8]

SCIENCE PACT WITH U.S. EXTENDED--Islamabad, March 8--The United States and Pakistan have agreed to extend the Memorandum of Understanding between the Ministry of Science and Technology and the US National Science Foundation up to May 1987. This was decided at a meeting held between Dr Osman A. Shinaishin, Senior Programme Manager (Africa and Asia) of the US National Science Foundation and officials of the Ministry of Science and Technology here on Thursday. The meeting was held to discuss progress made on collaborative projects in scientific and technological fields. Measures to enhance cooperation between the two countries in oceanography were also discussed, including donation of a research vessel to Pakistan National Institute of Oceanography. [Text] [Karachi DAWN in English 9 Mar 85 p 2]

JATOI OFFERED ASSEMBLY SEATS--Hyderabad, March 7--The elected MNA and MPA from Moro Sub Division district Mawabshah, Dil Murad Jamali, has offered his national assembly's seat to Ghulam Mustafa Jatoi if the latter agrees to become the Prime Minister of Pakistan. Talking to newsmen at Moro, he said he had contested both seats with the intention of vacating the NA for Ghulam Mustafa Jatoi. It is further learnt that former Sind Minister for Communications, Kazi Abdul Majeed Abid has also offered his NA seat to Ghulam Mustafa Jatoi for the same reason. [Text] [Islamabad THE MUSLIM in English 8 Mar 85 p 8]

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